

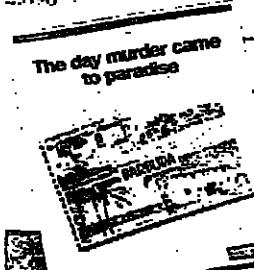


THE INDEPENDENT

2.50p

TUESDAY 30 JANUARY 1996

40p (IR 45p)



The day murder came to paradise

Section Two



Win a Porsche Boxster

See page 10 for token

How men can learn to relax

Health, Section Two



Major taunts Labour over crime record

Bitter attack on 'hypocrisy'

DONALD MACINTYRE
Political Editor

John Major last night stepped up a Tory attack on Opposition "hypocrisy" over crime, in the face of gibes from Labour's leaders that the Government had descended "into the gutter" by branding them the "villain's friend".

In exchanges which presaged a prolonged and potentially vicious general election campaign, the two parties conducted a day-long war of words over what both sides see as the key political battleground of law and order.

Hours after Tony Blair, the Labour leader, had accused the Government of "sinking into the gutter", the Prime Minister, undaunted, launched his attack on Labour with a litany of law and order measures brought in by his Government and opposed by Labour.

Mr Major's attack, in a speech to the Conservative Political Centre last night, came after furious Commons exchanges earlier in the day. John Prescott, Labour's deputy leader, accused ministers of "abuse, innuendo, and slurs", and Michael Heseltine, the Deputy Prime Minister, said Labour's self-projection as tough on crime was "a classic example of hypocrisy".

The Tory battle to regain its traditional territory of law and order showed every sign of being a co-ordinated effort - in the wake of the Cabinet's meeting on political strategy last week - to capitalise on signs that Labour's opinion poll lead on the issue may have been curbed by improved crime figures.

Although Labour remains ahead of the Tories on an issue with which the Conservatives led through most of the 1980s, MORI opinion poll figures suggest that the lead on law and or-

der narrowed from around ten to six per cent between September 1994 and July of last year. The Tories are determined to close the lead as Labour are to widen it.

Ministers are already aiming to put Labour on the spot with their White Paper on minimum sentences for violent and sexual offences, which Michael Howard, the Home Secretary, intends to publish before Easter with a view to introducing a Bill in the Autumn - and quite



possibly a second reading before the general election.

Labour has made it clear it will not decide its position until the White Paper has been published, although spokesmen have made it clear that the sentencing proposals do not address the problem that - in the case of sexual crimes - offences have increased while the numbers of those caught and convicted have not.

The Prime Minister mocked Labour for having abstained on the last Criminal Justice Act - which gave the police new rights to stop and search, new court powers to clamp down on bail bandits and allowed for drug testing in prisons.

He added: "Day by day

Labour show themselves in their real colours. And the colour they reveal is not soft focus blue. It's the colour of envy and hypocrisy."

On the forthcoming sentencing proposals he said: "I believe most people will support this approach. They will see it as fair. And so do I. You might have thought this would be common ground without opponents. So would I but we would be wrong ... No matter what they say they persistently do something else."

Mr Prescott earlier challenged Mr Heseltine, to back-bench cheers, to confirm that: "Since 1979, burglary has increased by 160 per cent, theft from vehicles by nearly 200 per cent and violent crime by 400 per cent. That's the real Tory record."

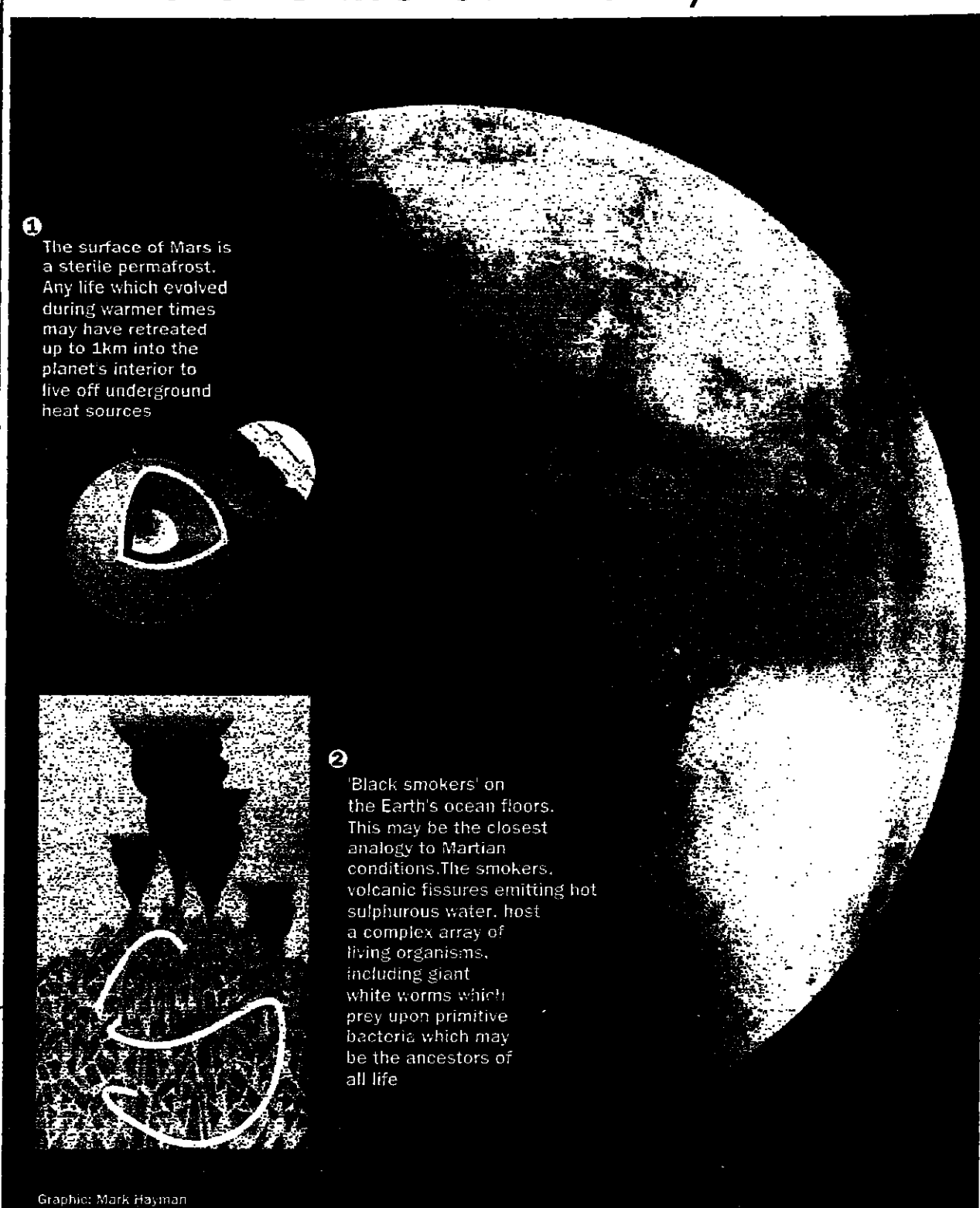
"Isn't that why you resorted to abuse, innuendo and slurs over the weekend to hide the real truth about crime? Will you now take this opportunity to apologise to this side of the House for the untruths you told yesterday and to the British public for your Government's record on crime?"

But Mr Blair, campaigning in Hemsworth, West Yorkshire, declared: "It debases public debate in this country to say that Labour are supporting the criminals. I will not engage in that type of politics. I do not intend to get into the gutter with Mr Major and his Cabinet."

Gordon Brown, who accused Mr Major of taking the political "low road" with his speech, added that the Government was acting as if it was the Opposition, while Labour unveiled new policies. Mr Blair meanwhile amplified Labour's education policy with a speech warning of a "Blade Runner" scenario, typified by "ghettos of low opportunity."

Tory fire, page 2

If there is life on Mars, this is it



1 The surface of Mars is a sterile permafrost. Any life which evolved during warmer times may have retreated up to 1km into the planet's interior to live off underground heat sources

2 'Black smokers' on the Earth's ocean floors. This may be the closest analogy to Martian conditions. The smokers, volcanic fissures emitting hot sulphurous water, host a complex array of living organisms, including giant white worms which prey upon primitive bacteria which may be the ancestors of all life

Graphic: Mark Hayman

White worms on Red Planet may prove we are not alone

TOM WILKIE
Science Editor

We are not alone. Life almost certainly evolved on Mars and may still thrive deep beneath the planet's surface.

But, scientists believe, it is more likely to be giant white worms than little green men. Later this year, the first of a 10-year-long series of space probes will be launched to the Red Planet to hunt for fossil evidence of life on Mars.

A scientific conference in London will hear this week that life may have begun on Mars at almost the same time as it started here on Earth - some 3.8bn years ago. But scientists believe that as Mars - far more distant from the heat of the Sun - started to freeze, living organisms may have retreated deep into the planet's interior seeking the warmth of volcanic "hot springs" to supply them with the energy to sustain life.

It is even possible that life here on Earth might have started as a "cross-contamination from Mars", as Professor Paul Davies of Adelaide University will tell the conference, organised by the Ciba foundation.

In 1911, a piece of Mars known as the Nakhla meteorite fell to Earth in Egypt - killing a dog - and more than 500 tons of Martian material falls on to the earth each year. Primitive bacteria could have hitched a ride on rock fragments crossing interplanetary space and seeded life on Earth, he says.

Jack Farmer, a senior scientist with the NASA-Ames Research Centre, said: "We are returning to Mars for the first time in 20 years. This year is the 20th anniversary of the Viking missions which looked for evidence of extant life."

The Viking probe which landed on Mars did not detect a "single organic molecule". Dr Farmer said, even though it was sensitive enough to detect one part in a billion.

After the failure of the Viking probe to detect signs of life, the consensus was that surface conditions on the Red Planet "were not conducive for life as we know it," added Dr Farmer. Mars was too dry, any water was frozen in permafrost, and intense ultraviolet radiation bathes and sterilises the surface.

But some 3bn to 4bn years ago there was liquid water on the surface of Mars, which has left its mark in channels and valleys on the surface.

This represented "a window of opportunity for life to originate. At the same time as it started here on Earth, it could have originated on Mars," Dr Farmer said. But he warned that researchers may have to drill from 100m to a kilometre under the surface to find living organisms on Mars, and this would be beyond the technology of the space probes currently planned.

What has changed scientists' views over the 20 years since the Viking mission has been the discovery here on Earth of primitive forms of life which do not need the heat of the sun to sustain themselves but which live

in volcanic hot springs and around ocean thermal vents. Bacteria thrive in the hot sulphurous environment of these "black smokers" on the sea bed, and strange white worms graze upon them.

According to professor Karl Stetter, of Regensburg University in Germany, these archaic bacteria form the very roots of the tree of life itself - they may be the ancestors of us all.

Similar creatures may have evolved to live on hydrothermal springs on Mars, according to Malcolm Walter of Macquarie University, Australia.

Professor Walter explained that early life on Earth would have formed "gelatinous colonies of bacteria encrusting columns on the sea floor".

However, during the Earth's early history, "they built up bacterial reefs - stromatolites - and some of the biggest reefs on earth today were built by bacteria, not coral", he said. These stromatolites represent the earliest fossil remnants of living creatures on the Earth.

France announced an end to its nuclear weapons tests in the South Pacific yesterday.

Job-hunters massacred
Eight men died when gunmen attacked people queuing for work in Johannesburg. Page 9

Today's weather
Cloudy and cold with some sleet. Section Two, page 21

Nuclear tests stopped
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Holiday jet lands safely as pilot dies at controls

CHRISTIAN WOLMAR
Transport Correspondent

The captain of a British charter plane with 229 people on board collapsed and died at the controls as the aircraft was descending towards Malaga airport, it was revealed yesterday.

The first officer of the Britannia Airways jet landed the aircraft with the body of the pilot still strapped into the seat next to him.

Roger Attenborough, 54, died from a suspected heart attack while the Boeing 737 flight from Luton was at around 12,000 feet, less than 15 minutes from landing in Spain.

A spokesman for Britannia said flight BY 476A, which had

taken off at 3.15pm on Sunday, proceeded normally. Captain Attenborough did not collapse on the aircraft's controls because it was in the "descent phase" and both pilots were therefore wearing their full harnesses. Most of the passengers were unaware that anything had happened until after the plane landed.

After the plane touched down, resuscitation attempts were made but the pilot was declared dead by the local coroner. The first officer, who has not been named by the airline, had radioed ahead for medical assistance. All first officers are trained to handle flights on their own.

Captain Attenborough, married with two grown-up sons, had joined the airline in 1969 and had been a captain for 20 years.

One of his sons, Royd, who is also a pilot, said: "It has come as a complete shock. Dad was fit and well and passed all his six-month medicals with flying colours."

The worst disaster at Heathrow occurred in June 1972 after Stanley Key, the 52-year-old pilot of a Trident carrying 118 people, had a heart attack at the controls following an argument with colleagues. He apparently fell on the controls two minutes after take-off, causing a fatal stall. The aircraft crashed near Staines killing all aboard.

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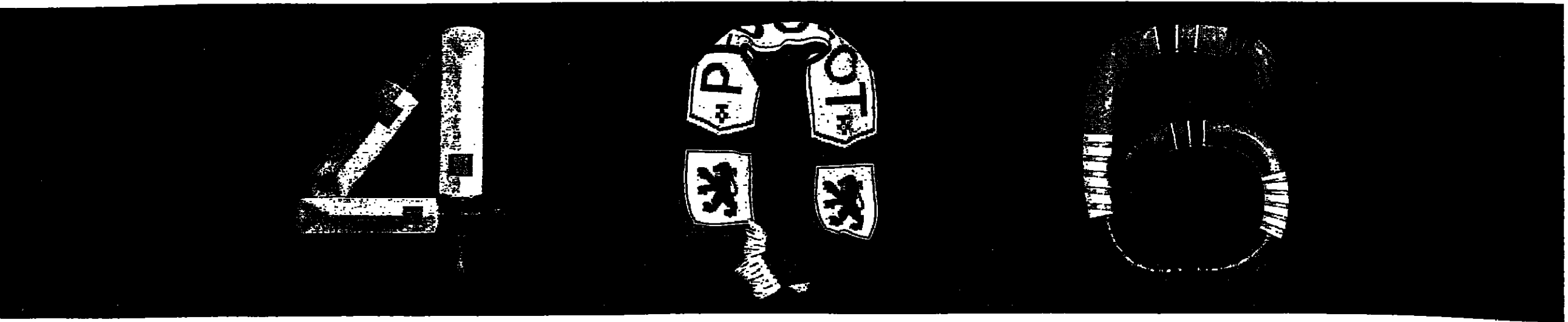
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King's Cross fire: Burns victim is awarded a record £650,000 but directs bitter attack on London Transport

There has been no remorse, no goodwill. The survivors were thrown to legal sharks

STEVE BOGGAN

A musician whose career was blighted by injuries suffered in the 1987 King's Cross fire was awarded £650,000 agreed damages at the High Court yesterday.

Ron Lipsius, who has undergone 18 operations to repair his burnt hands, said he was disappointed with the settlement – he had claimed more than £1m – and he launched a bitter attack on London Transport. "I hate them," he said. "I think they are a wicked organisation. Their cumulative incompetence caused hell on earth on November 18 1987. They've shown no remorse. They have no goodwill. People were maimed and killed, and they threw the survivors to the legal sharks."

The award is the highest so far out of more than 80 claims, although three are still outstanding. It reflects Mrs Lipsius's loss of future earnings from an anticipated career writing advertising jingles.

Mr Lipsius, 39, of Hamersmith, west London, earned a first-class music degree from New York City, where he was born, and he had hoped to spend his life in the music business, playing guitar and keyboards. Among witnesses who would have testified to his skill, had the case gone ahead, was Brian May, lead guitarist with the pop group Queen.

On the night of the blaze, Mr Lipsius was travelling with a friend's mother, who died. His hands were severely damaged when he lifted them to protect



Damage done: Ron Lipsius recovering in hospital 24 hours after the receiving his injuries in the fire; and (right) the burned out underground station at King's Cross

his face as a fireball swept through the underground station ticket hall, where many of the 31 who died were overcome by flames and smoke.

As a regular user of the station, he was able to find a way out of the worst of the blaze before being rescued by firemen. During his recovery at University College Hospital, London, Mr Lipsius endured a number of extremely painful operations which could only be carried out without anaesthetic. They involved cutting the sides of his fingers to remove dead tissue.

Such was the resulting pain that for eight weeks he was prescribed heroin. For years afterwards he required strong painkillers before daily physiotherapy sessions.

The court was told that he is still suffering from post-trau-



matic stress and depression, and his hands bleed when he tries to play the guitar.

His counsel, Colin Mackay QC, said the "skilful and necessarily aggressive" treatment Mr Lipsius was given enabled him to use his hands to a certain degree, but they had not been restored enough to enable him to play his guitar.

"His hope, before the fire, was not that he was going to be the next Eric Clapton," said Mr Mackay. "But that he would enter the world of jingles."

"What my client went through was like a vision of hell... He left his companion and felt guilty he had not been able to save her. Mr Lipsius survived to be described as the worst of the King's Cross victims in terms of burns."

"He has hands that he can use for many of the purposes of

life but the supreme tragedy is he wanted more than that. He wanted a career in music."

"He simply cannot play the guitar. He has tried, and on one occasion his hands started to bleed. The skin of his hands is simply too delicate, his joints simply too imperfect."

Patrick Allen, Mr Lipsius's solicitor, said Professor Gus McGrouther, Mr Lipsius's surgeon, said 10 more operations were necessary, something London Transport contested.

Mr Justice Butterfield said Mr Lipsius had demonstrated great bravery but that no amount of money could compensate him for the devastating injuries and the psychological consequences of the fire.

"His recovery, partial and incomplete as it is, is quite plainly a tribute to the skill of the doctors who treated him, the support of his family and, above all, the dogged determination of Mr Lipsius himself."

After the hearing, Mr Lipsius said: "I am disappointed. I was hoping for a lot more, but it's a risky business and you just have to settle for less or go through an incredible amount of stress – and maybe get less."

He said the money would be used to build a recording studio so he could continue trying to work as a musician.

London Transport said it was "pleased" the case had been settled and it expressed its sympathy for all the victims and their families.



Pay back: Ron Lipsius leaving the High Court with his wife, Sally Photograph: Reuter

Opera star in boycott threat

Opera star Bryn Terfel yesterday threatened to boycott Wales in the row over the Millennium Commission's decision not to fund the new Cardiff Bay opera house.

Welsh-born Mr Terfel had been booked to open the controversial new building on St David's Day in the year 2000 by singing the title role in Wagner's *The Flying Dutchman*.

But the failure of the opera house bid and pressure from other prestigious opera houses to sing with them has forced him to put the plans on one side.

It means his current project – singing the part of Nick Shadlow in a new Welsh National Opera production of Stravinsky's *The Rake's Progress* due to open in February – could well be his last for the company.

Mr Terfel confirmed his calendar was fully booked for the next seven years and that the Welsh National Opera now had no place in it.

"I'm very disappointed," he said, but added that, without the new opera house, the WNO simply did not have the theatre facilities to make it worth his while singing with them.

The singer's outspoken condemnation of the Millennium Commission's decision will further fuel the debate which has raged in the music world since Heritage Secretary Virginia Bottomley announced its rejection last month.

Supporters of the landmark project had been seeking around £50m for a permanent home for the company, which celebrates its 50th anniversary this year.

In an outspoken interview for BBC Wales, Mr Terfel admitted he would now rather go to America, Europe or Covent Garden to take on some of the demanding Wagnerian roles.

The singer added: "The Met said that if plans for the new Welsh opera house don't come through, then we have something for you instead. So what am I supposed to do?"

The fastest rising singing success for decades, Mr Terfel, a former son of Snowdonia, has already performed in most of the world's opera houses to huge acclaim.

Awards recognise bravery

The payout to Ron Lipsius is the largest of 84 cases settled so far at a cost to London Transport of more than £4m, writes Steve Boggan.

Until yesterday, the highest awards had been made for the suffering of two men – a fireman and a ticket collector – for the post-traumatic stress they still endure after fears of selfless bravery.

Makendra Parmar, 46, the ticket collector, was awarded

£375,616 in November 1994 after having his health ruined in the aftermath of the fire.

Despite terrifying conditions, Mr Parmar, from Milton Keynes, repeatedly led passengers out of danger and returned to save more. But after the disaster, he became withdrawn and suffered a series of health problems that resulted in him needing sticks to walk. He has to be cared for to a high degree by his wife, Sumitra.

The next highest award was made to Paul Hale, 47, of Sheerness, Kent, who repeatedly entered the smoke-filled station to pull out survivors and bodies. Making the award, Mr Justice Otton said: "He is probably one of the most courageous men I have ever had, or shall have, the privilege of meeting."

The highest collective award, to the widow and children of one of the victims, Christopher Roope, amounted to £423,089.

Obsession that turns life into nightmare for victims

WILL BENNETT

The obsessive nature of the Cambridgeshire stalker, who followed his victim for four months before raping her in her home, would be familiar to thousands of frightened women.

When rejected or ignored stalkers become ever more obsessive and determined, turning the lives of their victims into a nightmare.

The stalking compulsion is known by psychiatrists as erotomania. The basic delusion is that the pursuer is either loved intensely by their quarry or would be if they only knew each other. Some are harmless but many are not.

John Hinckley shot and wounded President Ronald Reagan to try to impress actress Jodie Foster, for whom he had formed an obsessive attraction.

Police are under no illusions that Chuck, the Cambridgeshire stalker, must be caught. Detective Superintendent Tony Rogers, the officer leading the inquiry, said yesterday: "This man is clearly extremely dan-

When rejected the stalker becomes more determined to trap his quarry

gerous and I believe it is possible this may not be the first time he has victimised and harmed a woman. Moreover, I cannot rule out the possibility that he may rape again."



The stalker: An artist's drawing of 'Chuck'

The stalker first saw the woman, a mother in her thirties, in a local hotel where she was having a cup of coffee last September. She rejected his chat-up attempt and not unnaturally thought that that would be the end of the matter.

He has since veered from threatening behaviour, once punching her, to trying to win her approval. On one occasion he pulled up behind her and offered to help within moments of her car breaking down.

The sense of threat that she felt was increased by the fact that she sometimes saw him even when he was not following her. Detective Superintendent Rogers said: "During the Christmas and New Year periods she spotted the man on several occasions in Huntingdon." Many celebrities are harassed by stalkers. Earlier this month Robert Dewey Hoskins was convicted of making "terrorist threats" to the pop singer Madonna. He broke into her Hollywood estate twice, left love letters in her letterbox and threatened to "slice her throat from ear to ear".

Other public figures stalked in recent years include members of the royal family, tennis players Monica Seles and Steffi Graf, supermodel Naomi Campbell, singer Olivia Newton-John, and the actress Helena Bonham-Carter.

The questions which Cambridgeshire police now have to address are whether they provided enough protection for the rape victim and whether they could have followed her to catch the stalker.

Detective Superintendent Rogers said: "It is not the time now to have an inquiry into our methods. We took the necessary security measures to try to protect her."

Asked why detectives had not tailed the woman to try to trap the stalker, police said she had not told them she was being followed until after she was punched just before Christmas. Leading article, page 14

EU racism watchdog demands Internet neo-Nazi censorship

ANDREW BROWN

An EU committee on racism has demanded that the Internet be censored to prevent the incitement of racial hatred. The Union's Consultative Commission on Racism and Xenophobia, based in Paris, yesterday urged all member states to follow the example of Germany, which has been attempting to censor racist and pornographic messages in cyberspace.

The latest scandal was caused by Ernst Zündel, a German neo-Nazi, based in Canada, who has hired space on a computer in California to promote his views. This space, known as a web site, greets visitors with the statement: "The Zündel site has as its mission the rehabilitation of the honour and repu-

tation of the German nation and site challenges the traditional version of the 'Holocaust' – an Allied propaganda tool concocted during World War II – that is not based on historical fact but is a cleverly used ploy to keep the German war time generation and their descendants in perpetual political, emotional, spiritual and financial bondage."

These views are obnoxious in California and illegal in Germany, where the denial of the Holocaust is a crime, along with the display of Nazi symbolism. The Zündel site has links to a flourishing underground of neo-Nazism on the Internet. The Simon Wiesenthal Centre in Los Angeles claims to have identified more than 70 neo-Nazi web sites.

More than a million Germans are now able to access these through Internet services. Last week, Deutsche Telekom, the largest provider of Internet services in Germany, cut off all access to the computers of Web Communications, the company which rents space to Zündel. Since this is a large and respectable commercial concern, this also meant that the Deutsche Telekom subscribers lost access to another 1,500 web sites, among them one maintained by Deutsche Bank Securities.

Deutsche Telekom itself admits that this form of censorship is partial and inefficient. A spokesman was anxious yesterday to disclaim legal responsibility for the messages carried over their network. "We

are not responsible, but we become associated with it. We think that an individual case like that of Mr Zündel brings bad influence to our reputation in the market."

However, the state prosecutor's office in Mannheim is considering whether to charge Deutsche Telekom anyway.

Stephen Bates, an American lawyer who has made a special study of freedom of speech in cyberspace, said yesterday: "The law is trying imperfectly and inadequately to uphold the idea that some information is acceptable and some is not."

"But law has always been based on territory. Now, in cyberspace, we're seeing, in substantial part, the end of geography, and that creates problems."

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4
politics

Hospital to get £50m injection of private cash

NICHOLAS TIMMINS
Public Policy Editor

A £50m private finance redevelopment of St James's Hospital in Leeds was given the go-ahead yesterday providing it with a new 166-bed paediatric wing, but also its first private beds for paying patients.

The scheme is the biggest NHS contract let so far under the Government's private finance initiative. It includes a "medipark" to attract pharmaceutical, bio-technology and equipment manufacturers, a 900-place car park which will help raise revenue, and an 80-bed patient "hotel" to which recuperating patients may be transferred.

The development is due to be followed by a string of other privately financed hospitals worth a potential £1bn, including the £35m 150-bed development at Chesham and Amersham announced by Kenneth in the Budget. They include a £90m rebuild at the Swindon and Marlborough Trust and a £100m project to provide a complete new district general hospital on a green-field site at Norwich.

John Horgan, the junior health minister, claimed the

initiative was "changing the face of hospitals up and down the country" by providing up-to-date facilities in place of ageing NHS buildings. All the clinical services of doctors and nurses would continue to be provided by the NHS, he added.

Harriet Harman, Labour's health spokeswoman, countered that the initiative was privatising the NHS, leaving the service "in hock" to the private companies who would build, own and run the buildings.

The new wing at Jimmy's is due for completion at the end of 1998 and will occupy a 13.5 acre site next to the hospital. The project is being run by a subsidiary of Medipark Ltd of which the leading members are Charterhouse Bank and John Laing Construction.

The 80-bed hotel, in which the NHS will "rent" beds as and when it needs them, will include a 35-bed private unit. It will be run by a private provider who has yet to be identified but who will pay a royalty to the hospital based on the number of patients treated.

A trust spokesman said the aim was to encourage hospital consultants who now operate privately elsewhere to use the

facilities at Jimmy's - cutting their travelling time, making them more available to the NHS and providing the trust with extra revenue.

The trust claimed yesterday that private-sector involvement, including innovations in design and running costs, made the scheme £5m cheaper to build and £10m cheaper overall than its publicly-funded equivalent.

John Grootham, chairman of the Northern and Yorkshire region of the NHS, who initiated the project when chairman of Jimmy's, said: "The PFI is not a way of privatising the NHS. Far from it. The PFI actually protects the NHS's fundamental principle - providing health care based on clinical need free at the point of delivery - by finding ways of making quality health care more affordable."

Four hundred jobs will be involved in the construction phase of what is essentially a rationalisation of existing, scattered, paediatric services. It also releases part of the existing hospital for mental health care.

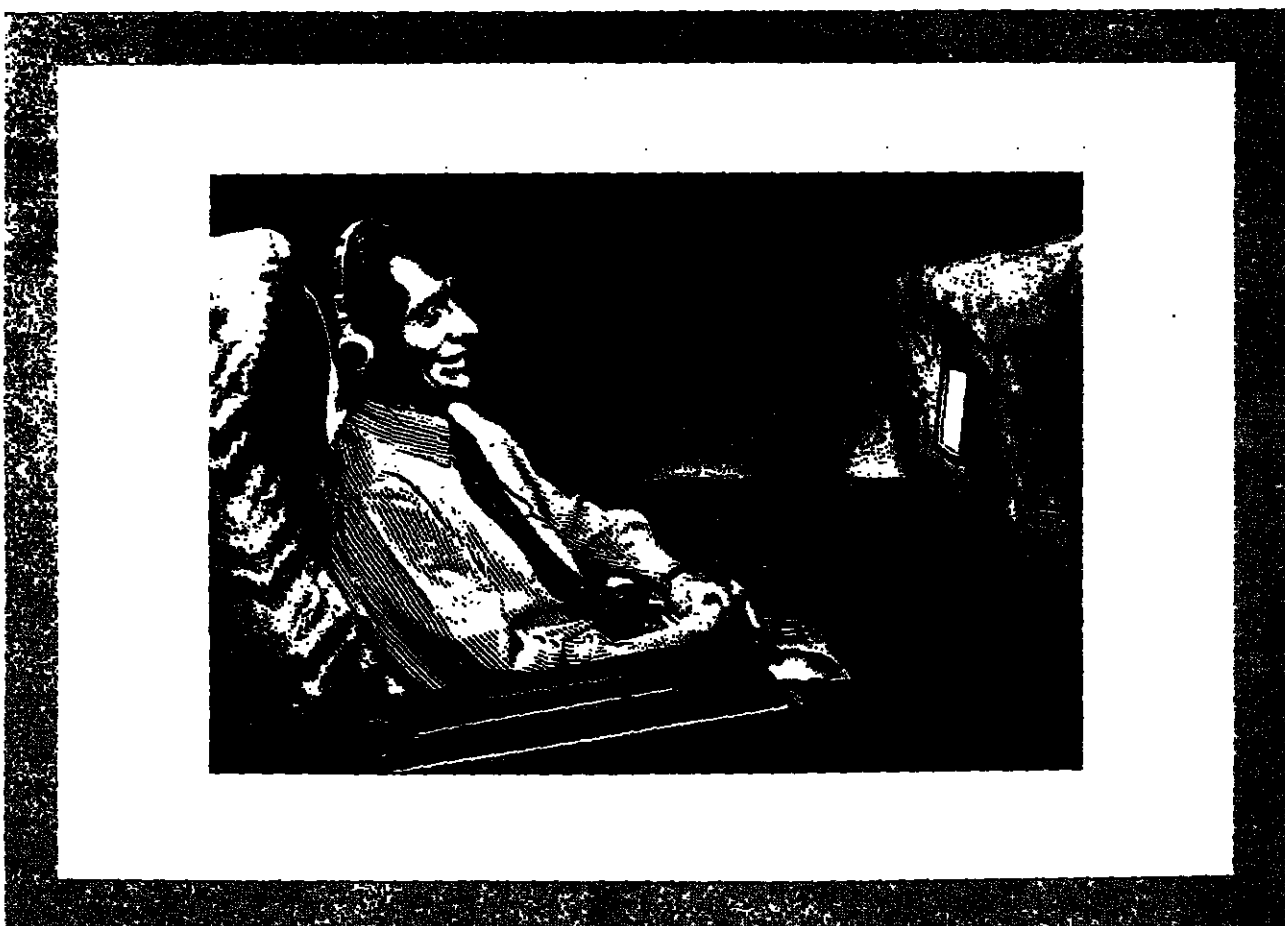
Mr Horgan also announced a £20m scheme to provide car parking and office accommodation at the Royal Berkshire and Battle Trust in Reading.

Euthanasia law: Woman facing slow death calls for 'wider choice for dying'



Mercy plea: Annie Lindsell, 45, (in wheelchair), a motor neurone disease sufferer, outside the Commons yesterday where she attended a seminar calling on MPs to support 'a wider choice for the dying' by relaxing the law on euthanasia. She faced 'a life where I'll be completely paralysed, unable to take care of my most intimate personal needs' and said her main barrier to a dignified death was the current law. Photograph: John Voos

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Inquiry into 'Gulf syndrome'

Defence chiefs are today expected to announce moves to step up investigations into so-called Gulf war syndrome.

After intense cross-party pressure, ministers are believed to come down in favour of an inquiry into deformities among children born to Gulf veterans.

More than 70 former service personnel claim there could be a link between the cocktail of vaccinations and anti-nerve agents they took to protect themselves against chemical and biological attack and deformities in their offspring. Some have been born with limb defects, heart deformities and some have had vital organs missing.

The expected move follows a top-level meeting between defence chiefs and a team of medical specialists last week.

Labour defence spokesman Dr John Reid said: "A partial inquiry into any single aspect of the problem will be welcome, but only as a first step towards the full inquiry that our veterans deserve. For too long the Government has tried to ignore this issue. It looks as though it has now found the strength of professional and medical opinion too great to resist."

Council taxes 'set to rocket'

COUNCIL BROWN
Chief Political Correspondent

Council tax rises could be much higher than the eight per cent predicted by the Treasury, as a result of cuts in support for spending by local government. Frank Dobson, the shadow Secretary of State for the Environment, warned last night.

Mr Dobson blamed the Government for forcing many Labour-controlled local authorities to increase the council tax from April by more than three times the rate of inflation, as a result of cuts in grants.

"Labour authorities will have to do their best to keep the council tax down and maintain services as best they can. But it will mean people have to pay more for less," he said. William Waldegrave, the Chief Secretary to the Treasury, had estimated at the time of the Budget that the council tax could go up by eight per cent, but Mr Dobson warned it could be higher. "It could be more. It is an average, and last time, the actual figures varied between an increase of 24 per cent to a substantial reduction," he said. Labour will seek to blame the

Government for the increases in council tax in a full-scale Commons debate tomorrow. Mr Dobson said it was the equivalent of an increase of a half-penny in the pound on the basic rate of income tax. "It will nearly wipe out the 1p cut in income tax given to the taxpayers in the Budget. What they give with one hand, they steal back with the other," he said.

Higher bills are due to drop through letter boxes shortly before the May local elections. Ministers are hoping to pin the blame on Labour-controlled councils, and will claim it represents the higher spending voters can expect under Labour.



Warning: Frank Dobson

Labour attacks mean-minded Tories over homeless 'Bedsit hostels' incur Gummer's wrath

Councils are to be given new powers to close down benefit hostels and bedsit blocks if they cause a nuisance or annoyance to the neighbourhood.

The move, announced by John Gummer, Secretary of State for the Environment, will be particularly welcome in seaside towns, he said, where once elegant hotels have become troublesome eyesores.

In many resorts former hotels and guest houses had become what are sometimes called "benefit hostels".

"Where these are badly managed, or where there are simply too many of them, there is often considerable nuisance and sometimes real danger. Such wholesale changes can alter the whole character of an area and damage the tourism industry, upon which many such seaside towns exist."

Speaking during the Second Reading of the Housing Bill, Mr Gummer promised amendments to enable councils to close down problem "houses in multiple occupation", without compensation. Councils will also be given powers to prevent new HMOs opening.

Much of the acrimonious debate on the Bill centred on its impact on the homeless. Frank Dobson, Labour's environment spokesman, said it was a "nasty, mean-spirited" measure which attacked homeless people. Mr Gummer,

meanwhile, maintained it was about treating everyone on the housing waiting list equally.

Responding to a newspaper advertisement from housing charities, the Secretary of State said it was not a fair system to have several queues. "Everyone should be lined up together."

The Bill proposes a single waiting list route into local authority and housing association homes. Families and the vulnerable would be given a minimum of one year's accommodation. But Mr Gummer

said others might actually be living in far worse conditions. "This Bill ensures people are judged according to their needs," he insisted. "To each according to his need - or is this another thing that the Labour party have thrown out?"

Other provisions give more housing association tenants the right to buy, leaseholders greater protection, and council tenants a chance to vote for new social landlords able to use private money for improvements. But little of this impressed Mr

Dobson who said the Bill combined "Tory mean-mindedness and a touch of the right". Instead of helping the victims of their policies, the Government was blaming them. "Faced with enormous queues for council and housing association homes, the Government isn't trying to shorten the queues by building more homes. Instead they propose just to rearrange the queue and hope that in the process the people affected will start blaming one another and that it might also distract attention from the Tories' record."

Instead of finding families somewhere decent to live, the Government was proposing to force them to live in "perpetual insecurity," Mr Dobson said.

He held up as the epitome of Tory policy the Clarendon Court Hotel, in Westminster, claiming it was occupied by 158 families living in "squalor". "But the landlords won't be living in squalor. They're getting £750,000 a year - £14,000 a week - of taxpayers' money."

He said the hotel was infested by cockroaches and there were only six electric cooking rings shared by residents of 48 bedsitting rooms. "This Housing Bill doesn't propose to do anything to improve the living conditions of these families, nor does it propose anything to help them get somewhere better to live. Quite the reverse - it's likely to force them to stay there longer."



Stephen Goodwin



Digging in: Forest of Dean free miners such as Gilbert Kerr see licences to mine as a violation of their birthright

Photograph: Jeffrey Wilkinson

Forest miners fight for right to stay free

MICHAEL PRESTAGE

For 700 years the free miners of the Forest of Dean have mined coal without such bureaucratic niceties as planning permission, but now history is set to be overturned and their future is in the balance.

The fiercely independent miners will not see their birthright eroded without a fight. It was the skills of their forefathers in tunnelling under castle fortifications that brought them the right to mine without hindrance or encumbrance anywhere in the Forest of Dean, the area of land between the River Severn and Wales.

Gerald Haynes owns one of only two full-time mines remaining. He has been told he needs planning permission to continue his mine at Hayners Bailey, Cannop, where he travels 200 metres underground to hack out 400 tonnes of coal a year in a one-man operation.

Like all the free miners, Mr

Haynes was born in the hundred of St Briavels and worked a year and a day underground in a mine. There are still a couple of hundred free miners surviving but few now mine.

He said: "It seems that the authorities want to get rid of the free miners. Now there are only a few left mining the impression is that we are an anomaly they want to see removed."

Mr Haynes said it had always been accepted that free miners did not need planning permission. But consent may prove difficult to obtain in what is an environmentally sensitive area.

"All I want is to be able to carry on as I have done for 20 years. Most of the coal goes into local homes."

Donald Johns, chairman of the Forest of Dean Free Miners' Association, said the whole issue was complicated, but he was critical of the new Coal Authority for insisting on planning permission.

He said: "At stake is an im-

portant tradition for this area. We are not just looking at today but for the next 50 years. We can't let our rights be eroded."

Paul Marland, the MP for Gloucestershire West, has backed the miners' fight. "We must ensure that the free miners and their ancient rights are protected and preserved."

Roy Piggott, the Forest's minerals estate manager — known as the deputy gavel — said free miners needed planning permission. "You get this folklore, but the rule of law is the rule of law. There is a tendency to believe the free mining is the Oxford Dictionary sense of free, and it isn't."

He said there was still confusion over whether all free miners required a licence. A spokesman for the Coal Authority admitted the whole issue was complex and governed by arcane regulations.

The authority and the deputy gavel said they were in talks to try and find a compromise.

Universities threaten £300 fee for freshers

FRAN ABRAMS
Education Correspondent

Universities are threatening to charge freshers £300 per head next year unless government cuts are reversed.

Vice-chancellors will decide on Friday whether to impose the one-off levy on new students from September 1997. They may also decide to boycott inspections of their teaching quality.

The fee, which would not be charged to students on full grants, could affect 140,000 students and would raise up to £50m. Universities face cuts of 9.4 per cent over three years, with capital spending reduced by 50 per cent. They say they will take action unless this year's budget eases their plight.

More than 100 vice-chancellors will discuss the plan, along with a further measure which could mean a boycott of quality inspections in universities. This second plan could lead to financial sanctions by government funding agencies.

Diana Warwick, chief executive of the Committee of Vice-Chancellors and Principals (CVCP), said yesterday that action would only be taken

with reluctance. "What is the point of delivering second class tuition to students? Universities need adequate funding to maintain quality," she said.

Vice-chancellors have been increasingly vocal in their protests against spending restrictions. The proportion of 18 year-olds going to university has risen in the past decade from one in five to almost one in three, but the higher education budget has failed to keep pace.

Other proposals which will be tabled at Friday's meeting will include the introduction of top-up fees which would vary from university to university. Some vice-chancellors have also threatened to cut student numbers, but this has been rejected because it would lead to funding being reduced even further.

The CVCP believes the only long-term solution to the universities' funding problems would be a system by which all students repaid a proportion of their fees after graduation.

Such a system has already been introduced in Australia and does not appear to have put off potential students. However, despite continued political pressure for such a move neither of the main political parties has so far been prepared to make a commitment to it.

Last year the National Union of Students (NUS) failed to persuade its members to press for a system like the Australian one, which could mean much more generous funding for universities. It will debate the issue again at its conference this spring.

However, a number of student groups are opposed. Yesterday they launched a Campaign for Free Education, whose members will stand for executive positions in NUS. Among its members is Clive Lewis, the union's vice-president for education. "Students are already living in desperate hardship. Tuition fees amount to a tax on education," he said.



Diana Warwick: 'Reluctant' move to counter cuts

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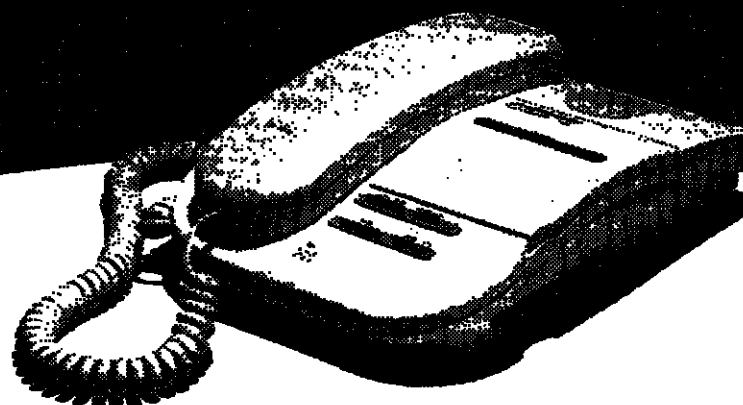
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National Lottery: Urban parks set to gain as latest rollover jackpot winners consider their futures

Park life is given £50m injection

CLARE GARNER

Britain's urban parks are set to receive a £50m facelift from the Heritage Lottery Fund, it was announced yesterday.

Following a series of lottery handouts to allegedly elitist institutions, the fund has turned its attention to a subject close to the hearts of the estimated 8 million people who visit a park each day.

The Urban Parks Programme plans to restore and rejuvenate historic open spaces in towns and cities throughout the country over the next three years. Launching the scheme in Sheffield's Weston Park, fund chairman Lord Rothschild invited applications from parks, gardens, town squares, town moors, seaside promenade gardens and historic cemeteries, and said funding decisions were expected to be announced by March next year.

A recent report by Comedia/Demos, on which the programme was partly based, estimated that more than 40 per cent of the population use parks for recreation, fun and fresh air on a regular basis. Geoff Mulgan, director of Demos, said yesterday: "We're delighted they have taken on an issue which to most of the policy-makers in London seems mundane but is in fact where life is lived."

"Whereas so many of the visible beneficiaries of lottery money have been elitist and exclusive institutions, there is none less so than the public park. That's why, in terms of value for money and improving the quality of life there's more bang for the buck available in the parks than almost anywhere else at the moment."

In the 19th century, Britain pioneered an entirely new model for public parks, imitated around the world. Mr Mulgan hopes the new programme will prove equally innovative. Parks should be "showcases for biodiversity" and cater for sports ranging from American football to Tai Chi, he said.

Clare Hartwell, the Victorian Society's northern architectural adviser, had one reservation. "I think it is quite likely that some parks in the north haven't even been identified yet," she said. "In London there is extremely good knowledge of the history of the park and obviously those parks with



Open space: Aston Park, Birmingham, one of the Victorian parks expected to be considered for Heritage Fund awards Photograph: Russell Sach

a good body of research will be the first to attract money. It's going to be more difficult to target the parks which are most in need of financial help."

Britain has the largest proportion of recreational green

space in urban areas of any comparable country. In a recent Mori poll, commissioned by the fund, 65 per cent of the population nominated inner-city parks as the aspect of heritage they felt was most important to

preserve, and 74 per cent thought that it was "very important" to make local parks cleaner and safer for children. Sheffield is just one city which would benefit from lottery money. "We've a popula-

tion of over half a million, making at least three million visits a year to Sheffield's parks," said Elizabeth Thring, director of recreation and amenities for the city council. "Our Victorian forefathers

were very generous in providing wonderful parks which became the lungs of the city. However, the maintenance paid into parks has gone down 50 per cent in real terms over the last three years."

Business as usual for 'dedicated' jackpot winners



Winners: Christine Winter, Philomena Kelly, Maria Martinez and Margie West

Four members of a team of council workers whose syndicate won a £10m share of the National Lottery rollover jackpot said today they had no intention of giving up their jobs, helping people whose luck had run out. They and the other 29 syndicate members, who work in the homeless persons' unit of Camden council in north London, never had any doubt about reporting for work as normal after learning they would each receive £304,724, they said.

"We like our work - it's not the sort of job you could just not turn up for," said manager Christine Winter. Assessment officer Margie West said: "You can't just walk away from people who need you."

They said most of the 33 had

met for champagne celebrations yesterday and there was never any question that anyone would fail to turn up for work at their base near King's Cross Station.

— an area notorious for street drug dealers, prostitutes and beggars. "It's a highly stressful kind of work," said Mrs Winter. "But we all are highly committed to it and no one is talking of leaving."

There was general agreement to wait for a while before deciding what to do with the money, but they said they were beginning to get some ideas.

Ms Martinez, who moved to London from her native Madrid, said: "I haven't decided yet but it's going to be something spectacular and outrageous like leaving to

jump out of an aeroplane." She said her 15-year-old daughter, Aranza, "screamed with delight when she heard of the win."

Camden council leader Richard Arthur said: "We are thrilled for all the staff. There couldn't be a more deserving group and we're delighted."

"The fact that the whole group reported for work after their win underlines their dedication to helping homeless families, one of the most vulnerable groups in our society." A nurse who yesterday claimed Scotland's largest lottery win - £10,055,900 - revealed that he has spent the last year sleeping on an airbed. But John McGuinness doesn't plan to change his life overnight.

He is thinking of going back to Law hospital in Strathclyde, where he is a theatre nurse, but has been given time off to think things over. "I need to do something with my time. I can't just sit around," said Mr McGuinness, of Shotts, near Glasgow. Since his marriage broke down a year ago, Mr McGuinness, who earns £150 a week, has lived with his parents in their one-bedroomed house.

He had no plans to spend the money but simply wanted to make sure his family was happy. His daughter, Lauren, aged 17, who lives with his estranged wife, Hazel, was over the moon. Mr McGuinness said Hazel had told him she was happy for him. "I will see that she is happy too," he said.

Chinese prepare to gamble on scratchcard success

When officials at China's Social Welfare Lottery Committee realised just over a year ago that sales of lottery tickets had hit a plateau, they decided to open up China's wild west to the joys of the game. An "experiment" was held in Xinjiang province's Maansu county, home to 120,000 nomads. It was something of a hit: within days, 1.1 million lottery tickets had been sold.

Buoyed with success, the officials aggressively started marketing bigger games across China, with higher-value prizes, ranging from bags of cement to washing machines. In a country

where gambling is supposedly illegal, it did not take long to pay off. By the end of the year total sales had soared to 5.5bn yuan (£450m), more than twice that for 1994. Officials readily admitted that, if only they could have printed more tickets, sales would have been much higher.

Next month will see the Chinese government's biggest experiment yet in the lottery business, with the launch of new scratchcard games in which Chinese punters buying the 2 yuan (14p) tickets will be able to win large cash prizes. At a secret location near Peking, a

Sino-French-Malaysian joint venture company is printing millions of lottery cards for the "Constellation" and "Land Battle Chase" games, which will start selling in the run-up to Chinese New Year in mid-February.

Prizes worth up to 100,000 yuan (£8,300) will be on offer, including apartments and cars, but an official at the lottery committee said there would also be a cash option. Cash prizes would be "more flexible", he said. "Some people do not like the articles, they already have them. They prefer cash."

In theory, China has strict

anti-gambling laws. In practice, that does not always matter. At the Peking Racing Track, for instance, betting is official, described as "guessing" about which horse will win. Similarly, the government has overlooked any inconsistency in state lotteries. Under the government's regulations, 55 per cent of ticket revenues must be

spent on prizes, 15 per cent goes on printing and distribution, and 30 per cent funds on welfare institutions, including old people's homes and mental asylums.

Chinese lottery tickets were simple cards with perforated windows, which tear back to reveal a symbol. The scratchcards will be far more sophisticated - and far more fraud-proof. The joint venture is 37 per cent owned by the French state lottery company, Française des Jeux, which has imported state-of-the-art machines to make the tickets.

Outside Peking's Landaos de-

partment store the Chaoyang District Civil Affairs Social Welfare Bureau had two "campaigns" running this week, with an array of prizes on show to encourage ticket sales. For 2 yuan one had the chance of winning a motorcycle, Panasonic TV/radio or microwave oven. One man, Mr Hu, bought five tickets to "try my luck" and won a monkey toy. "It is fun. Suppose I win a colour TV!" said another man from Hebei province.

The scratchcards will be launched in the south of China and, significantly, not in Peking, just in case anything goes awry.

The government is wary of sparking lottery mania. "They do not want to go too fast," said one expert. "They do not know what will be the impact on the economy, especially in the countryside." In some cases, peasants have sold their clothes to raise funds to buy tickets; some of the poorest provinces, such as Shaanxi and Guangxi, have been among the biggest ticket purchasers. The government also wants to keep strict control - in one province last autumn there was a riot when local cadres raised ticket prizes without increasing prizes.

NHS dentists hardest to find in South

LIZ HUNT
Health Editor

One in three people say they are having trouble in finding an NHS dentist, says a survey which highlights a dental service in crisis despite Government denials that this is the case.

The situation is worst in the South-east with over half (52 per cent) of respondents saying they faced problems. In East Anglia, which includes the Prime Minister's own constituency of Huntingdon, the figure was 48 per cent, the second highest in the country.

Problems were less severe further north. In Scotland, only 16 per cent of respondents said finding an NHS dentist was a problem.

The British Dental Association, which commissioned the survey, is calling on the Government to increase funding for NHS dentistry "as a matter of urgency". There is a "serious lack" of dental treatment across the country, the association said, and it is urging the public to write to their local MPs to complain about the disintegration of the NHS dental service.

The relationship between the Government and dentists is at an all time low after years of dispute over fees. In 1992 a 7 per cent cut was imposed after dentists did more work than the Government had budgeted for.

As a result almost a million NHS patients have been "derogated" by disillusioned dentists in recent years. Some are refusing new NHS patients and others restricting their new intake to pregnant women and children. Abandoned patients have to find a new NHS dentist, seek private treatment or join an insurance scheme.

Dr Joe Rich, of the BDA, said yesterday: "We have great sympathy for members of the public trying to find an NHS dentist. Chronic underfunding by this Government has forced many dentists out of the NHS. The BDA will continue to fight for the preservation of NHS dentistry."

A 10 per cent increase in funding for health service dentistry in each of the next five years was needed to improve access to dental treatment for NHS patients, according to the BDA.

A Department of Health spokeswoman said yesterday that the Government was committed to the NHS dental service and that the number of NHS dentists was higher than four years ago at almost 16,000, up 525 on figures for June 1992. The number of patients registered was 27.4 million, up 100,000 on 1992.

A regional breakdown of people finding it difficult to locate an NHS dentist was as follows: North, 19 per cent; Yorkshire and Humberside, 21 per cent; East Midlands, 26 per cent; East Anglia, 48 per cent; South-east, 52 per cent; London, 33 per cent; South-west, 47 per cent; Wales, 44 per cent; West Midlands, 39 per cent; North-west, 27 per cent; and Scotland, 16 per cent.

The survey was conducted by telephone among a sample of 1,024 respondents earlier this month.

Jammed controls 'caused air crash'

A Chinook helicopter pilot told an inquiry that he did not accept the findings of an RAF board of inquiry into the Mull of Kintyre disaster, in which 29 people died when their helicopter ploughed into a hillside.

The pilot said he believed the machine's controls had jammed - forcing the giant helicopter into a head-on collision course with the Mull. He considered the board of inquiry findings - that the Chinook pilot had chosen the wrong rate of climb - as "unlikely in the extreme". The pilot, who cannot be named on security grounds, put forward his theory when he appeared as a witness for the family of Flight Lieutenant Jonathan Tapper, the captain of the helicopter involved, at the fatal accident inquiry in Paisley, Strathclyde.

He and another Chinook pilot told the inquiry that Flt Lt Tapper - and most other Chinook pilots - had repeatedly expressed concerns about the new Mk 11 Chinook. Flt Lt Tapper was said to have voiced concerns "on a daily basis" that it was less capable of doing the job

than the Mk 1 it replaced. The RAF board of inquiry concluded the likeliest explanation for the crash - which killed the four-man RAF crew and their 25 passengers including Ulster's top anti-terrorist RUC military and MI5 officials - was a high-speed cruising climb at a rate of climb too low to clear the Mull.

The RAF board said that although technical malfunction could not be ruled out, there was no evidence to suggest this.

Central to the evidence has been the low-level flight path the aircraft was taking. Less than a mile short of the Mull the pilot entered an updated navigation marker, or "waypoint". In the final seconds before disaster the helicopter dramatically increased its climb rate. The change of waypoint - on the RAF board of inquiry scenario - was part of a pre-planned suggestion that standards have fallen. However, the oldest group, aged 55-60, were not much better. They had more difficulty than the young with easy words such as because and complain. The best spellers are in their

Call for new approach to spelling as adults fail test

JUDITH JUDD
Education Editor

Accommodation baffles two-thirds of us, occasionally stumps more than half and around four in ten can't cope with necessary and apologise.

A survey of spelling and punctuation among 980 people aged between 16 and 60, published yesterday, reveals that nearly half of adults cannot spell common words. Accommodation proved to be the most difficult word in the survey, conducted by the Adult and Basic Skills Agency: 68 per cent spelt it wrongly. Next came occasionally (53 per cent), immediately (45 per cent) and necessary and apologise (43 per cent).

The young (aged 16-24) were the worst spellers, strongly suggesting that standards have fallen. However, the oldest group, aged 55-60, were not much better. They had more difficulty than the young with easy words such as because and complain. The best spellers are in their

Most common spelling mistakes

Accommodation	Unfortunately
Occasionally	Apologise
Immediately	Receive
Maintenance	Sincerely
Necessary	Allowance

thirties and forties, many of whom were at primary school in the sixties and seventies, when much-criticised "trendy" teaching methods were prevalent.

Graduates are better spellers, but a third of them spelt occasionally wrongly and 11 and 12 per cent respectively failed to spell sincerely and necessary correctly.

Overall, 11 per cent could not spell writing and thirteen per cent of 16-24-year-olds could do little more than fill in their name and address on a form. Women are better spellers than men. Alan Wells, the agency's director, said: "Many employers automatically reject applications for jobs if people spell incorrectly on the application form and can't use the right punctuation."

"We tend to think that education has been improving but in terms of these very basic skills I don't think this is the case." He urged a return to old-fashioned "spelling-bees" and words learned by rote.

Anne Barnes, general secretary of the National Association for the Teaching of English, said: "You only learn to spell by reading a lot. Children are reading less because they watch so much television and have televisions in their bedrooms. "Spelling-bees may help some people but not most. Any teacher knows that you can prevent a child ever learning to spell by using the spelling exercise approach."

One in four people had a poor grasp of punctuation. The use of the apostrophe was a par-

ticular problem. This group also tried to punctuate passages by a random scattering of commas.

Those with no educational qualifications did more than twice as badly in the punctuation exercises as those with five or more good GCSEs.

Employers say the fact that more 16-year-olds are getting higher grades in maths and English GCSE does not mean that they can write intelligibly or are numerate enough to cope with work.

A survey of 50 employers, carried out by the employers' organisation, Industry in Education, shows that employers believe too many teenagers lack initiative, determination and self-discipline.

They want schools to concentrate less on exam success and more on developing personal qualities. The employers challenge the Prime Minister's view that sport promotes teamwork. The time would be better spent in practical education about the world of work.

Child bride 'will not go into care'

STEVE BOGGAN

A High Court judge yesterday reassured 13-year-old bride Sarah Cook that she would not be taken into care if she returned to Britain from her "marital" home in Turkey.

Sir Stephen Brown, president of the Family Division, took the step a week after making Essex-born Sarah a ward of court. He said he was anxious to ensure the schoolgirl did not think she would be separated from her parents if his order for her to return "forthwith" was obeyed.

Sir Stephen, who conducted a hearing in chambers with Sarah's father, Adrian, 42, and counsel, opened the court to the media to deliver a statement. He said: "In the light of certain reports which have been circulated, it is necessary to say that these are wardship proceedings and not care proceedings."

"Essex County Council has no intention at present to take Sarah into care and away from her parents."

"I would wish to say that wardship is not a procedure which represents any threat or

application which might prejudice anybody. What is desired is to enable the court to further the welfare of Sarah and to ensure her protection."

He said he hoped the "emotional climate" surrounding the case could be cooled, but there was little chance of that in Kharanamaras, south eastern Turkey, where Sarah's 18-year-old "husband" Musa remains in custody charged with statutory rape.

Sarah's mother, Jackie, 37, has so far failed to persuade the child to return home in the face of a groundswell of national support for her.

Yesterday, Sarah publicly kissed the Koran as a demonstration of her determination to stay in her chosen country. "I love Musa. I love his family. I love this country. I don't want to go back," she said.

She was cheered wherever she went and given gifts, including two gold bracelets. The mayor of the town has already promised the couple a villa when Musa is finally freed. He faces up to five years in jail for statutory rape.

Higher bid for BR freight was rejected

CHRISTIAN WOLMAR
Transport Correspondent

The Government has been accused of favouring a US company to buy three of BR's freight concerns by rejecting a higher bid from a British firm.

Wisconsin Central, which has become the preferred bidder for the three businesses, is to pay £225m while another bid for £240m was rejected by the Government because it was so keen to sell the rail businesses to Wisconsin.

The Government is grateful to Wisconsin for having bought the loss-making Res mail train business last month - expected to lose £10m this year - and was anxious to ensure that the US company won the race for the three profitable rail freight companies, Loadhaul, Mainline and Transrail.

The announcement of the sale is due to be made in two weeks time but it emerged earlier this month that Wisconsin is the preferred bidder for the three businesses.

However, another bidder, a management buy-out team from Mainline Freight, one of the three freight companies which linked up with Candover, the City finance firm, and Associated British Ports, put in a bid for £240m.

Mainline was so angered by the refusal of the Government to accept its bid that the company considered seeking a judicial review, accusing the Government of favouring Wisconsin, but refrained because the company feared repercussions within the industry.

Mainline's bid was submitted late after the two initial preferred bids, from Wisconsin and Loadhaul, another of the freight companies, had been referred back for reconsideration.

A rail industry source said: "Mainline thought that if Wisconsin and Loadhaul were being allowed to bid again, then their bid should be reconsidered

and they resubmitted a new offer."

However, despite British Rail wanting it to be considered by the Government, ministers threw it out.

In an interview to be published tomorrow in *Rail* magazine, Ed Burkhardt, the head of Wisconsin, admits he was not interested in the British Rail freight business until he was approached in 1994 in Chicago by Brian Mawhinney, the then Secretary of State for Transport.

Mr Burkhardt says that Dr Mawhinney told him: "You should still jump into that water, and be a bidder. Maybe you'll get what will turn out to be a bargain."

Dr Mawhinney admitted to Mr Burkhardt that ministers had made mistakes in drawing up the privatisation scheme but said, according to Mr Burkhardt, that "it will all come out in the price, won't it".

Mr Burkhardt admits in the interview that considerable numbers of jobs are likely to be lost.

Out of 8,500 employed by the three businesses, it is thought that more than 3,500 jobs will go and Mr Burkhardt says that compulsory redundancies will be necessary.

Labour last night said the sale should be stopped. Brian Wilson, Labour's transport spokesman, said: "All these bids should be subjected to investigation by the Public Accounts Committee. These sales are politically driven without an iota of regard to the taxpayers' interests."

The sale has already been criticised by opponents of rail privatisation as wasteful because the Government originally created the three rail freight companies in 1994 to stimulate competition in the industry, but then made it clear that the three would be sold together.

Mr Wilson said: "Millions of pounds were spent on creating the three companies and that has now been wasted."



Heirs and graces: Ken Matthews outside Margam Castle. The sculpture is called 'Mother and Child'

Photograph: Rob Stratton

DNA may unlock aristocratic secret

CHRIS BLACKHURST

A man from South Wales is to apply to disinter the bodies of members of a land-owning, aristocratic family to prove he is their rightful heir.

Ken Matthews of Swansea is in discussion with Home Office forensic scientists about the best way to exhumate members of the Talbot Fletcher family for DNA fingerprinting tests, which he believes would show he is also a Talbot Fletcher. He is receiving backing from his local MP, Donald Anderson.

He is not motivated purely by a desire to claim an inheritance. Mr Matthews is suffering from a mysterious illness which causes fainting that doctors have been unable to diagnose. They believe it may be hereditary.

At present, members of the family lie at rest in their private

chapel at Margam Castle, their former home near Swansea. Margam was sold in the late 1930s but the family continues to own estates in East Lothian and north London.

In 1900, Lady Emily Charlotte Talbot was one of the richest women in Britain, with a legacy valued in those days at £6m. The family gave Port Talbot its name and derived part of its fortune from Fox Talbot, the photographic pioneer.

Mr Matthews was adopted and only traced his connection with the Fletcher Talbots when he began to investigate his maternal roots. He found that his real mother was Ivy Pinn, who worked at Margam Castle as a maid in the 1930s.

She left in 1937 when she became pregnant with him. He was eventually given up to the workhouse in Neath and was

later adopted. His birth certificate says his father is unknown and records of his adoption are missing from the Neath court where they should be lodged.

Diligent detective work enabled Mr Matthews, who works in the personnel department of a car factory, to locate two half-sisters he never knew he had. They told him about his mother, who died in the Midlands, aged 78, in 1988.

Gradually, the pieces came together. In videotaped interviews, former Margam workers told Mr Matthews his mother had a 12-year affair with John "Jock" Theodore Talbot Fletcher,

the master of Margam and 11th Laird of Saltoun, in Scotland, and he was the result. "I had no suspicion at all," said Mr Matthews. "When I was told Jock was my father I couldn't believe it - I was looking for a groundsman or stablehand."

John Talbot Fletcher inherited Margam, its 12,000 acres and other estates, when he reached 30 in 1933. He was left them by his great aunt, Lady Emily, who specified in her will that when he died, the legacy should go to his eldest son. But Mr Talbot Fletcher had no legitimate children. Perhaps significantly, his marriage was annulled within days of Mr Matthews' birth in 1937.

Before Mr Talbot Fletcher died last April, aged 91, he was visited by Mr Matthews in Epping, Essex, near the family's Cropped Hall estate. He was

pleasantly recalled Mr Matthews, until Ivy's name was mentioned. Then the conversation was abruptly ended.

Mr Matthews then wrote to Mr Talbot Fletcher requesting he take a DNA test. He received a terse response from Mr Talbot Fletcher's Cambridge solicitors, Mills and Reeve, saying: "It is totally wrong and inappropriate to trouble a man of his age with such matters."

Mr Anderson, said: "As a lawyer I'm always pretty sceptical about these stories but there is very strong circumstantial evidence. The recordings with the old retainers confirm it was common knowledge the master of the house was having an affair with the maid." But Francis Durrant, of Mills and Reeve, said: "There isn't a claim as far as we are concerned."

Mr Smyth said that in normal circumstances where a man was armed, prison officers would have thought the reasonable thing to do was to talk the prisoner round. But they were faced with a rape.

A deputy governor arrived and it was agreed the incident had to be stopped. The door was unlocked and officers rushed into the room. "But before they reached him he did what he had threatened and cut her throat - fortunately missing the jugular vein."

The woman received three cuts to the front of her neck and one at the back, which was sewn up by the prison doctor.

When interviewed later, Fryers allegedly said: "I admit I had sex, but I asked her first," suggesting she consented, said Mr Smyth. Fryers has denied rape and wounding.

The trial continues.

Value of home 'should fund care in old age'

NICHOLAS TIMMINS
Public Policy Editor

The Government should initiate a new equity release scheme to allow the elderly to use part of the value of their home to cover their long-term care, a left-of-centre think-tank said yesterday.

For an average £60,000 home, a couple might have to give up about 45 per cent of its value - less if it was worth more, more if it was worth less - with a lower percentage for single people.

But the cash would provide an insurance which could guarantee care against the cost of long-term care. The home would only be sold on death and a guaranteed proportion of the home's value would be passed on as an inheritance.

The call to create Peris - partial equity release insurance schemes - came from the Institute of Public Policy Research.

search, as it warned that the costs of long-term care, both in people's own homes and in residential and nursing homes, was set to escalate dramatically. Even allowing for economic growth, costs would double in real terms by 2031, taking about 5 per cent of national income, against 1.8 per cent now.

The present system of means-tested care, which this year is expected to see 40,000 people having to sell their home, is inequitable, demeaning for people who have always been financially independent and discourages savings, the report says.

Longer-term options include creating a new pay-as-you-go, social insurance, which would be expensive; building a funded social insurance which would last 30 years to mature; opting for partial cover - running collective insurance for care costs but not "hotel" costs of long-term care; or developing private/public partnership schemes.

The last of these is being actively considered by ministers who have promised a White Paper on funding long-term care. Where individuals cover themselves through insurance for a fixed sum of care, the state

would add that to the £16,000 of assets which individuals are able to keep when they fall back on means-tested care.

Peris could help with that, according to the author of the report, Ed Richards, a consultant with London Economics, and former adviser to Gordon Brown, the shadow Chancellor.

Today, about 40 per cent of those who retire own their own home, a figure likely to reach 65 per cent in 20 years time.

Creating Peris - something the financial services industry is unlikely to do without government assistance - could take advantage of that, reducing public spending but without forcing individuals to sell their homes during their lifetime.

"At the moment, it is an all-or-nothing situation," Mr Richards said. Individuals either had to invest in private long-term care insurance during their working life, or take the risk of almost all their assets being means-tested away. Creating Peris would provide something in between.

□ *Paying for Long-Term Care: IPPR, 30-32 Southampton St, London WC2E 7RA; £9.95. Leading article, page 14*

CPS and police link to boost efficiency

HEATHER MILLS
Home Affairs Correspondent

Prosecution lawyers are to work with detectives in police stations in an attempt to improve both efficiency and the quality of cases brought to trial.

Pilot schemes, to be launched in 12 police centres around the country, will test whether more cases get to court more speedily and with less alterations.

But yesterday the Crown Prosecution Service stressed that working alongside police officers would not mean the independence of the service was compromised. There remained a dividing line between a police investigation and the CPS lawyers giving legal advice on the admissibility and worth of the evidence.

If successful, liaison officers are likely to move into all 43 police areas. A similar move was suggested by Labour last year.

Barbara Mills, the Director of Public Prosecutions and head of the CPS, said: "The aim of the initiative is for lawyers and police officers to get it right first time. This will help to ensure that the right cases go to the right court on the right charge at the right time."

"Lawyers will be advising on evidence and public interest factors in cases, which will help to improve the quality and timeliness of files and promote more efficient use of resources."

The scheme was launched yesterday at Darlington police station, County Durham, where a prosecutor will staff a help desk throughout office hours.

Similar projects will follow in five more stations - Barnsley, Northampton, Shoreditch in east London, Bedford, and Leeds - and at six police administrative support units - Lincoln, South Norwood in south London, Watford, Gwent, Harborne in Birmingham and Thanet in Kent.

Graham Duff, director of CPS operations, said the new procedure would be useful in difficulties over identification, corroboration and hearsay evidence. It was also likely to benefit complex cases, such as child abuse investigations.

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international

EMU in crisis: Tory ministers hope high-level rethink will prepare ground for public debate on postponing 1999 launch date

UK fights for single currency review

Kohl gives in to tax-cut demands

SARAH HELM
Brussels

The British government is engaged in a diplomatic offensive to force a review of plans for a European single currency, possibly at the next EU summit in March.

The strategy explains the forecast by a senior government minister last week that plans for European Monetary Union by 1999 could collapse "within weeks". The comments were repeated publicly, in scarcely less forceful terms, by the Foreign Secretary, Malcolm Rifkind, at a press conference during a meeting of EU foreign ministers in Brussels yesterday.

Ministers hope such a review would prepare the ground for the first public debate about a possible postponement of the 1999 launch date. Foreign Office lawyers have advised them that a postponement would not necessarily involve rewriting the Maastricht Treaty, as the European Commission claims. But if the majority decided that the treaty did need to be rewritten, "it could be done in five minutes", said one senior official yesterday. "The real issue is making the political decision about postponement," said another British source.

The Government, which has a vested domestic political interest in EMU postponement,

does not wish to be seen to be dictating to its EU partners. Nor is it tabling formal proposals for a special summit. The review could even take place at another EU meeting already scheduled for this year, officials said. However, ministers believe that, given the mounting uncertainty over EMU, such a review should be held as soon as possible and preferably at the level of heads of government.

There were strong indications yesterday that Britain would like its EU partners to put the review on the agenda of the next summit, to be held in Turin in March, to launch the inter-governmental conference on reform of EU institutions.

French and German leaders continued to rebut British scepticism about monetary union, showing signs of anger and irritation at what many see as British attempts to undermine the project. Werner Hoyer, the deputy German foreign minister, warned against "talking monetary union into the ground". Hervé de Charette, the French foreign minister, said France would make every effort to be ready to join the single currency in January 1999.

The EU Monetary Affairs Commissioner, Yves-Thibault de Silguy, insisted once again yesterday that most member states would be ready for monetary union by next year - the

test year for countries wishing to take part. "Barring an economic or political cataclysm, France, Germany and a majority of EU states will be ready at the end of 1997," Mr de Silguy said in an interview with the French newspaper *Le Figaro*. He added that to fail, forcing a renegotiation of the Maastricht treaty on European unity and damaging progress toward a single European market, would be "a catastrophic scenario that I do not dare even to imagine".

But Mr Rifkind, in his television and press conference comments yesterday, questioned the credibility of the project in the most strident terms. He urged his partners to

"provide more than statements - more than assertions" that EMU would go ahead as planned. He added: "It is difficult to retain the credibility of the timetable for monetary union simply by statements of intent. We need something stronger than that."

Mr Rifkind strongly hinted that Turin could be the forum for such a debate, saying that discussion of the future of the single currency would become increasingly a priority "over the next few weeks".

There is no sign yet that either Germany or France would agree to reconsider EMU, which they insist must proceed on the basis of the timetable and

a set of fiscal and economic membership rules agreed at Maastricht in 1991. The view in Bonn and Paris is that, while questions may be raised on the fringes, governments must hold the line or confidence in the entire project will collapse.

Mr Rifkind came close to accusing his partners of blind adherence to rhetoric. "Each day almost, senior European statesmen from France, from Germany, from Spain, from other countries express doubt or uncertainty as to whether 1999 is a realistic target. I doubt if this can go on day after day, week after week, without some serious credibility problem," he said.

IMRE KARACS
Bonn

Helmut Kohl has caved in to his junior coalition partners' demands for tax cuts to boost the sluggish German economy.

In a significant reversal of policy, Chancellor Kohl agreed to a reduction of the "solidarity surcharge" - 7.5 per cent of income tax, which pays for rearmament east Germany. As the government intends to honour its eastern commitments, the shortfall will have to be made up by the exploding budgets of the national government and the Länder.

This in turn will stifle efforts to keep the federal budget deficit within 3 per cent of GNP, as required by the Maastricht criteria for European monetary union. A government report to be released today is expected to confirm that Germany will fail to meet the EMU targets in 1996 for the second year running.

The "solidarity surcharge" is to be trimmed in the middle of next year, creating a gap of some DM4bn (£1.8bn). The government is also reported to be considering tax cuts amounting to DM34bn. Not all lost revenue will be balanced by less expenditure. Though severe cuts in welfare are scheduled, these will save only DM32bn.

Theo Waigel, the finance minister, proclaimed at the weekend that increasing government debts to pay for the revenue shortfall was "out of the question", but this pledge may turn out to be as durable as the promise to keep the "solidarity surcharge" intact. Faced with soaring unemployment and economic stagnation, Mr Kohl may have to admit that Germany will not be able to escape recession in the confines imposed by Maastricht.

Although the Chancellor refuses to accept that monetary union might have to be postponed beyond 1999, he appears to be increasingly isolated. *Der Spiegel* reported this weekend that two cabinet ministers and some of his closest advisers were secretly seeking a way out of the "Maastricht trap".

The Free Democrats in Mr Kohl's government have been sniping at the "solidarity surcharge", with their leaders threatening to turn the levy into a resignation issue, at the expense of the Kohl government.

Now the Free Democrats will be able to proclaim a triumph, putting them in a strong position for three crucial Land elections in March. That should ensure the government's survival, but it might be at the price of abandoning monetary union by 1999.

British brave minefield to recover their dead

CHRISTOPHER BELLAMY
Tuzla

British troops yesterday carved a path through a minefield to recover the bodies of three British soldiers killed when their Spartan armoured troop carrier was blown up by a mine in Central Bosnia on Sunday.

The dead soldiers were named as Lieutenant Richard Madden, 25, single, from Somerset. Trooper Andrew Ovington, 25, married, from Peterlee and Trooper John Kelly, 21, single, from Sunderland. They were from the Light Dragoons, an armoured reconnaissance regiment for the British 4th armoured brigade, at Sipovo.

The Spartan is a light, tracked armoured vehicle able to carry a command team of four people as well as its crew of three. The anti-tank mines used in Bosnia are designed to destroy much heavier, main battle tanks, and contain about 5 kgs of high explosive.

The centre of Tuzla, the Muslim city in Northern Bosnia, was brought to a standstill yesterday when 1,000 refugees from the former muslim enclave of Srebrenica blockaded the offices of the Red Cross and the UN High Commissioner for Refugees. The protesters, who damaged several cars, were demanding action to investigate the disappearance of 10,000 people from Srebrenica and the existence of prison camps in the Serb-controlled sector of Bosnia. It is assumed that the missing people - mainly men of military age - were killed and buried in mass graves in the Serb-controlled area after the town fell to the Serbs in July.

At 2.10 pm, local time the Spartan hit a mine 20 kms west of Mrkonjic Grad. It was not possible to reach the destroyed vehicle over the rough roads until dark. The army postponed further attempts until yesterday morning. It took all day to immobilise other mines and clear a way to the bodies.

The Spartan is a light, tracked armoured vehicle able to carry a command team of four people as well as its crew of three. The anti-tank mines used in Bosnia are designed to destroy much heavier, main battle tanks, and contain about 5 kgs of high explosive.



Victims: Trooper John Kelly, 21, single from Sunderland



Trooper Andrew Ovington, 25, married, from Peterlee



Lieutenant Richard Madden, 25, single, from Somerset

A big white banner proclaimed "200 dana od srebrenice" ("200 days since Srebrenica"). Most of the demonstrators were women but they were joined by men in uniform who had survived the 50-mile march from Srebrenica in July, harried by the Bosnian Serbs.

"My man is dead and the Red Cross is doing nothing" screamed one woman. Dozens clustered in the courtyard outside the Red Cross building screaming the names of prison camps they said were still in operation. Between 15,000 and 20,000 refugees from the Srebrenica area are accommodated in the Tuzla region, and virtually every one lost a family member when the town fell.

"We want our children, our brothers," screamed another woman. "Our life here is very difficult but we don't care. We want to find them, or to know what happened to them."

The investigation of alleged mass graves is the responsibility of the tribunal for war crimes in the former Yugoslavia, which will begin its enquiries at the start of next month, after reports of up to 200 mass grave sites around the country.

Grisly harvest of war's hidden killers

"See it? There - a wire, across the stream. That's a live one." For a moment, I could not.

Then I caught the glint of the fine wire, almost invisible against the fast-running water, and, on the far side, the anti-personnel mine, hidden among the white, frosted vegetation on the river bank. Anybody stumbling over the wire as they attempted to cross the stream would set off the mine, blasting lethal fragments in all directions at leg or waist height.

Colonel Viktor Rusanov is head of the engineers for the Russian brigade based north of Tuzla. He estimated there were up to 6 million mines in Bosnia. Back in 1993, I had heard 3 million. One of the reasons why the front lines remained so static for so long was the combination of

Christopher Bellamy witnesses the struggle faced by troops trying to free Bosnia from a deadly legacy of 6 million mines

steep natural obstacles and mines. Without the resources of a first-rate army, it was impossible to break the deadlock without heavy casualties, which none of the warring factions could afford.

The death of three British soldiers on Sunday when their armoured vehicle ran over an anti-tank mine has reminded everyone that after the state of the roads, mines are the biggest problem. It is one that will become worse as people try to start cultivating the land again.

During the fighting, people were kept away from areas near the front line, but as they return, they will stumble on the

deadly legacy of the war. "We lifted six mines yesterday," said Col Rusanov, who had lifted three himself.

"There are at least 15 minefields in this small area alone. I've ordered my men to stop trying to defuse mines this morning, as the fuses will be frozen. Ice on the detonator makes things more difficult, but we expect a thaw tomorrow."

In a neighbouring field, two Russian soldiers had finished putting up a white tape with yellow tabs - their standard marker for a minefield. "There. The Christmas decorations are complete," joked one of the soldiers, who had been combing the

ground with a metal detector. We followed a muddy path across the field very carefully. Nobody was going to step off it, until we reached a small building. Col Rusanov showed us a map of the immediate area, which had been near the front line between Serbs and Bosnian Muslims, north of Tuzla. It was covered with dozens of marks indicating minefields.

"All anti-personnel, in this area," said Col Rusanov. "There were some anti-tank mines on the road, but the Americans lifted them."

The main road to Bijeljina, which passes two of the Russian bases, was now clear of

mines, but other roads in the area were still risky. A few days earlier the Bosnian Serb police had told a colleague a minor road across the zone of separation was clear, but on reaching the former front line, local people started shouting "mines". He reversed carefully, driving in his tracks.

The British vehicle that stumbled on an anti-tank mine west of Mrkonjic Grad was not so lucky, but they are normally less dangerous than the far more numerous anti-personnel mines, which have killed and maimed far more people round the world than nuclear, chemical or biological weapons. In Bosnia, clearing them at a rate of six a day here, six a day there, it will take a long time to dispose of 6 million.

EU holds back recognition of Belgrade

TONY BARBER
Europe Editor

Yugoslavia, the rump state comprising Serbia and Montenegro, said yesterday that it planned to normalise relations with the Former Yugoslav Republic of Macedonia, but the European Union said this did not go far enough to merit full EU diplomatic recognition of Belgrade.

"We have decided to wait until we can be sure of the situation," Germany's foreign minister, Klaus Kinkel, said in Brussels. He added that the US Secretary of State, Warren Christopher, had sent him a message underlining the US view that

formal EU recognition of rump Yugoslavia would be premature. The US wants to make sure that Yugoslavia does not return as a full member of the international community until, among other things, it has improved its treatment of the ethnic Albanian majority in the southern province of Kosovo.

A statement issued in Belgrade said that the Yugoslav government had approved a draft treaty recognising Macedonia, and that the two countries would sign the agreement at a later date. If this were to happen, it would be a significant step to calming tensions in the southern Balkans, where West-

ern governments have long feared the outbreak of a war involving as many as six countries. However, in the EU's eyes, Belgrade's statement left important questions unanswered about the nature of the agreement with Macedonia, one of six republics that made up the former Communist Yugoslav federation. In the first place, it referred to Macedonia only by its capital, Skopje, indicating that the two countries have not yet agreed by what name Yugoslavia's southern neighbour should be recognised.

Greece, a close ally of Yugoslavia, opposes the use of the name Macedonia on the

grounds that this indicates a territorial claim by the Skopje government on the northern Greek province of Macedonia. The Yugoslav statement also failed to mention a continuing dispute over inheritance rights to the assets of former Communist Yugoslavia. The Macedonian authorities indicated yesterday that this issue remained unresolved and an obstacle to mutual recognition.

Lastly, it may be significant that the Yugoslav statement referred only to a "draft treaty" being approved by Belgrade. This suggests that Serbia's President, Slobodan Milosevic, the most powerful Yugoslav leader,

is leaving himself the option of revising certain aspects of the agreement with Macedonia.

The EU and the US have consistently pressed Mr Milosevic to extend diplomatic recognition to Bosnia, Croatia and Macedonia, as this would indicate that he had formally given up hope of annexing parts of those three states to rump Yugoslavia. The 1991-95 wars in Bosnia and Croatia were sparked partly by the Serb ambition of creating a Greater Serbian state, while Mr Milosevic's long delay in recognising Macedonia has raised doubts over his intentions towards that country.

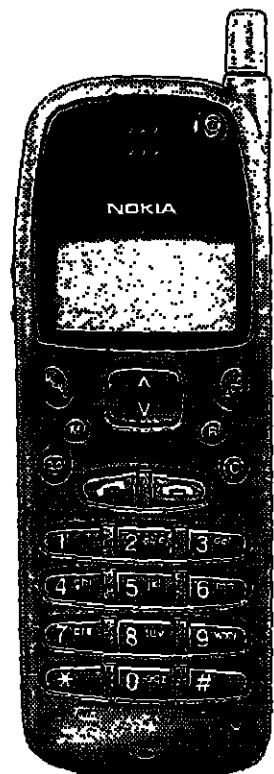
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SA massacre revives spectre of 'third force'

ROBERT BLOCK
Johannesburg

A massacre of job-seekers in Johannesburg yesterday has raised fears that a "third force" is again striking black-on-black violence in South Africa in order to undermine the government of President Nelson Mandela.

At least eight men were killed and 24 wounded when unidentified gunmen opened fire on 5,000 people waiting for the chance of a job outside the NF Die Casting factory in an industrial park at Alrode, southern Johannesburg.

According to the ruling African National Congress, the attack bore the hallmark of "third force" activities that plagued greater Johannesburg in the run-up to the historic 1994 elections. The third force was the name given to a shadowy alliance between right-wing elements in the security forces and the conservative Zulu-based political party, Inkatha.

Security guards and survivors interviewed at the plant and a local hospital said the trouble started at around 3am, when a group of eight men tried to

jump the huge queue that had formed outside the plant the night before. When the men were told to join the back of the line, they pulled out AK-47 assault rifles and 9mm automatic weapons and started shooting into the crowd without warning.

The gunmen then fled on foot. Some of the victims, bleeding from bullet wounds, staggered more than half a mile from the scene of the attack before collapsing. Both attackers and victims were black. Hours after the incident, pools of blood, discarded shoes and spent bullet casings were all the evidence left of the slaughter.

One wounded man at the Ntshupruut hospital, who was too frightened to give his name, claimed that he was the first person shot by the gunmen. He said that when the men first approached the queue, he had the impression that they were looking to start trouble rather than find work. "I don't know why anybody would want to shoot honest men trying to support their families," said the man, who was wounded in the leg.

Since the election, most ANC-Inkatha violence has been

limited to KwaZulu-Natal, where the two parties are involved in a bloody war for control of the province. There is evidence that the violence there is being fomented by outside right-wing elements.

Other than "third force" activities, several alternative motives for the attack have been offered, including tensions between two rival unions at the plant and the intense competition for jobs.

Although South Africa's economy is booming, unemployment remains very high, particularly among the black majority. Rumours of 200 new jobs at the plant caused thousands of men from the nearby East Rand townships of Thokoza, Katlehong and Vosloorus to descend on the industrial estate 13 hours before the gates opened.

Police have so far suggested no motive for the incident but have announced that they intend to establish a witness protection programme for survivors – a move which suggests that the attack was more than a violent outburst by angry unemployed men.



State of shock: A survivor of the massacre at the Alrode industrial park waits his turn as police begin interviewing witnesses

Photograph: AP

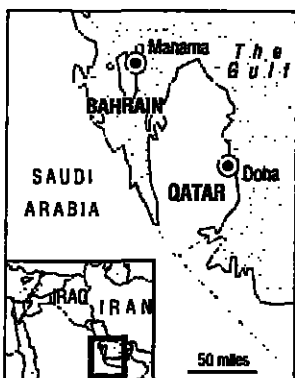
Gulf states' dispute intensified by 'Zionist' TV jibe

MICHAEL SHERIDAN
Diplomatic Editor

A long-running dispute between the small Gulf states of Bahrain and Qatar has taken an unprecedented turn after Qatar's state television broadcast interviews with radical Islamic opponents of the Bahraini ruling dynasty.

Such a move is unheard of among monarchies of the Gulf, who normally overcome disagreements to co-operate in the suppression of religious dissent. Bahrain and Qatar are members of the Gulf Co-operation Council, which exists to preserve the status quo.

The rulers of Bahrain and Qatar have long been at odds



over the ownership of the Hawar islands, small islets between their territories thought to be rich in resources. Bahrain has very little oil, while Qatar possesses enormous reserves

of natural gas. A few Ruritanian skirmishes have taken place over the years to little consequence. But civil disorder in Bahrain and dynastic upheaval in Qatar mean that the latest conflict is drawing close attention from Saudi Arabia and from Western powers who base air and naval forces in the area.

There has been serious unrest among the Shia Muslim majority population of Bahrain, a small archipelago of 600,000 people off the coast of Saudi Arabia. The government said at least 550 suspects had been rounded up recently after riots and explosions in luxury hotels around the capital, Manama.

The leaders of Bahrain's Shias attack the ruling al-Khalifa family, members of the dominant Sunni strand in Islam. The opposition strongly denies claims by the government that Iran, the only Shia power in the region, is behind the trouble.

Last year the Bahraini authorities exiled several Shia clergymen to London, including a charismatic preacher trained in Iran, Sheikh Ali Salman, who addressed public meetings to denounce the activities of Ian Henderson, a British veteran who runs Bahrain's security services.

To general astonishment in the Gulf, Sheikh Salman next appeared on Qatari television, whose broadcasts from the capital, Doha, can be seen in Bahrain, on 13 January. He was

interviewed sympathetically on a discussion programme with Dr Mansur al-Jamri, a member of a prominent family opposed to the al-Khalifas. The programme was hardly inflammatory, but Sheikh Salman said those who tried to link Islamic activists to terrorism – as the Bahraini government does – were agents of "the international Zionist movement".

In a direct message to the Bahraini regime, the sheikh added that "dialogue between the religious movement and Arab governments and intellectuals is the only way out for the Islamic world from any future bloodbath".

Although Sheikh Salman and Dr al-Jamri were careful to stress their commitment to di-

alogue, the very fact that the programme was broadcast signified that relations between Qatar and Bahrain had virtually broken down.

Qatar has lurches between declarations of amity and provocative behaviour ever since its ruler, "the beloved Emir His Highness Sheikh Hamad Bin Khalifah al-Thani", overthrew his father in an apparently bloodless coup last year. The former Emir was inspecting the family bank deposits in Geneva when he was deposed and is believed to have transferred much of the cash to his own account. No doubt agile private minds in the Arabian peninsula are focusing on the prospect of his return to Doha.

Pro-reform strike in Swaziland eases

Mbabane (AP) — Shops reopened and factories resumed operations yesterday as a week-long national strike for democratic reforms in Swaziland eased.

Rural sugar and timber plantations remained at a standstill, but the main towns of Mbabane and Manzini teemed with people. A heavy police and military presence helped public transport to resume.

The strike shut down the nation of 1 million people, which is sandwiched between South Africa and Mozambique. For a week, King Mswati III called for people to return to work and accused the strikers

of seeking to topple the monarchy. A growing pro-democracy movement wants the nation to adopt a constitution that legalises political parties and makes the king a constitutional monarch with no governing powers. The king indicated that talks on the political situation were possible, but has refused to concede any guarantees sought by the strike organisers.

"I think people have heeded the dictator," said Richard Nsumalo, president of the Swaziland Federation of Trade Unions and one of three labour leaders arrested last week and later released. "But the strike is not over."

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international

Right wing prolongs Italy's political agony

ANDREW GUMBEL
Rome

After nearly a month of seemingly intractable governmental crisis, Italy's political parties today begin their third, and what looks like their last, round of consultations with President Oscar Luigi Scalfaro, who has promised that by Thursday the crisis will be resolved. The aim of the talks is to try to ward off an immediate dissolution of parliament with a cross-party programme for electoral and constitutional reform.

The country has been at a standstill since Lamberto Dini,

the outgoing prime minister, first handed in his resignation last month at the end of his already temporary mandate. With no clear majority of any kind in parliament, and little prospect of improvement if elections were to be held under the present voting system, Italy has, in effect, turned into a government-free zone.

Political leaders, conscious of the embarrassment they are causing as Italy begins its six-month term as president of the European Union, have been trying to address several problems at once: the need for a new government, the need for a new

electoral system, and the need for deep constitutional reform.

It always seemed unlikely that a parliament made up of 26 squabbling parties would ever agree to a coherent programme to change the political face of Italy under such high-pressure conditions. And yet there has been more to this crisis than the chronic instability of the Italian system. One man has proved the stumbling-block to a solution at every turn — the leader of the reformed neo-fascist National Alliance, Gianfranco Fini.

When the crisis began, the rest of the political establishment was happy to give Mr Dini

a second mandate, albeit with a stronger ministerial line-up to replace his stop-gap team of technocrats, but Mr Fini said no. The next proposal was for a government of broad consensus to take Italy at least through its EU presidency, but again Mr Fini vetoed the plan, saying that only sweeping constitutional change would be an acceptable alternative to early elections.

A panel of cross-party constitutional experts set to work and came up with a new two-round electoral system to reduce the number of parties in parliament, a stronger mandate for the prime minister to

provide the country with a clear direction, and a series of disincentives to stop parliament bringing down government after government, as in the past.

But again Mr Fini rejected the majority view, saying he would stop at nothing short of what he calls *presidentialismo* — conferring sweeping powers on one directly elected political leader who would be only loosely accountable to parliament.

In some ways the young, ambitious Mr Fini has played his cards smartly, using his pivotal role within the conservative coalition headed by Silvio Berlusconi to swing the political

agenda his way. Partly exploiting the anti-corruption investigations in Mr Berlusconi's business empire, he has to a large extent stepped out of the shadow of his mentor and staked a claim to the leadership of the Italian right.

Opinion polls show him gaining in popularity, suggesting that of his political peers he would have most to gain from a snap general election.

But the nature of Mr Fini's proposals has produced shivers of alarm, since his concept of *presidentialismo* seems dangerously close to the authoritarianism of Mussolini, once

described by Mr Fini as Italy's greatest statesman this century.

Mr Fini's closest constitutional adviser, Domenico Fisichella, quit the National Alliance three days ago, saying the direct election of a prime minister free of parliamentary constraint would be "essentially illiberal". The CCD, a small Christian Democrat party allied to Mr Berlusconi and Mr Fini, has threatened to withdraw its support unless the measure is dropped from the agenda.

Even Mr Berlusconi was yesterday distancing himself and trying to reassert his own authority within conservative

circles. "We have to be careful that the premier does not turn into a despot," he said.

It was Mr Berlusconi who brought Mr Fini, and his then overtly neo-fascist movement, in from the political cold by joining forces with him for the March 1994 general elections. Mr Fini enthusiastically accepted the offer and in return officially ditched his party's neo-fascist ideology.

It now appears, however, that Mr Berlusconi might have created a dangerous rival, slowly eluding his control — "Gianfranco Fini", as one cartoonist called Mr Fini.

India's graft scandal spreads

TIM MCGIRK
New Delhi

India's spreading corruption scandal has engulfed another victim. SR Bommai, president of the left-wing Janata Dal party, was forced to resign yesterday after his name appeared in an Indian industrialist's diary that listed pay-offs made to dozens of top politicians.

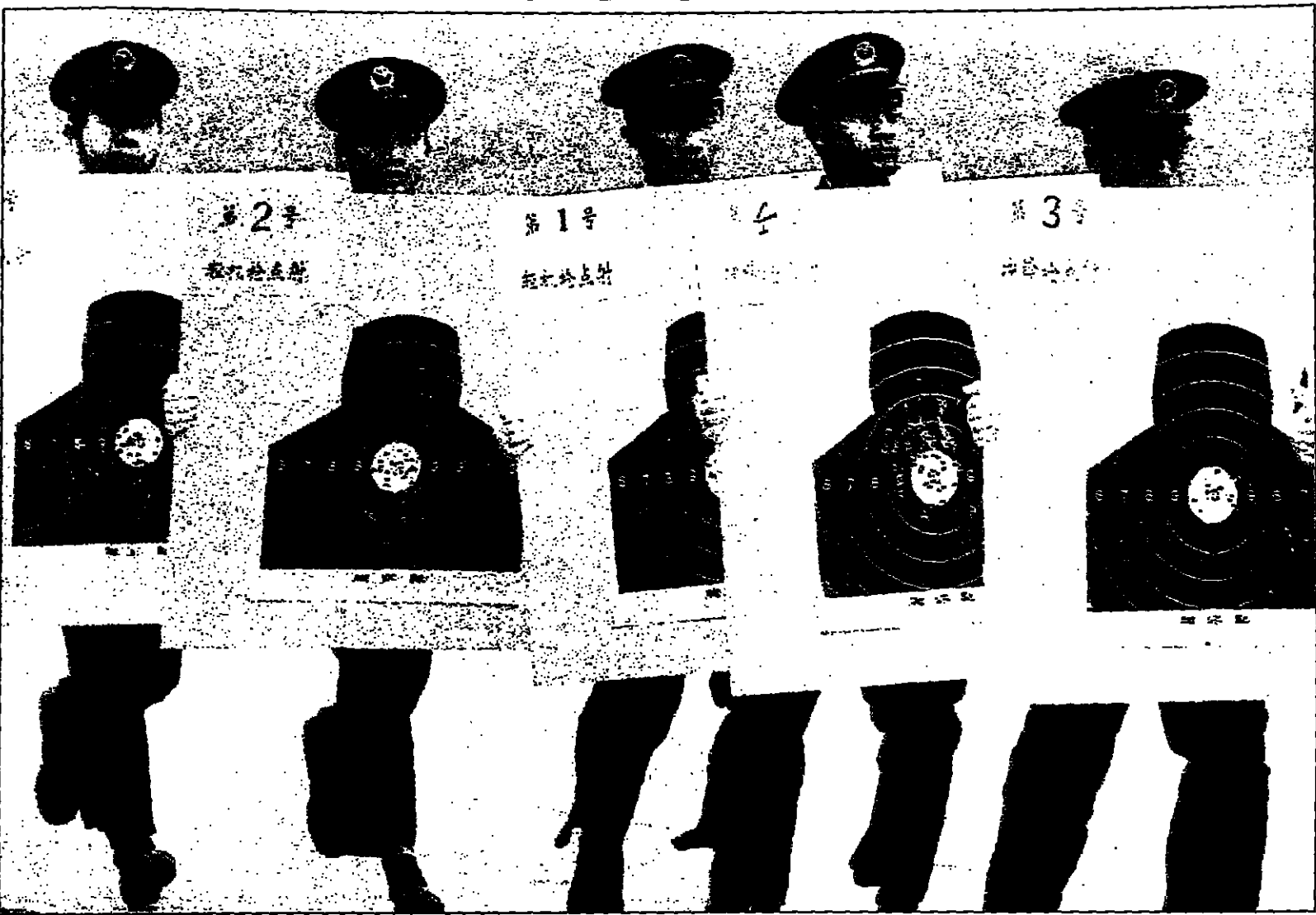
Narasimha Rao, the Prime Minister, is accused of receiving £550,000 from the Jain industrialist family, and the opposition is demanding that he should resign. Mr Rao is alleged to have received the sum through a shady holy man and power broker, Chandra Swamy. So far, the explosive contents of the Jain diaries have led to the resignation of the main opposition party president, Lal Krishna Advani of the Bharatiya Janata Party (BJP), and three cabinet ministers from the ruling Congress party.

With general elections only three months away, the Janata Dal hastily replaced Mr Bommai with Bihar state's populist chief minister, Laloo Prasad Yadav. The Janata Dal is the largest party within the left-wing National Front, a mosaic of regional alliances and parties representing the country's 120 million Muslims as well as Hindus on the lower rungs of the caste hierarchy.

Mr Yadav comes from Bihar's large but lowly cow-herding caste, and since taking office as chief minister he has been threatening to turn Patna's exclusive golf course into a school for dairymen. He also charged upper-caste Brahmins by paying the way for a few Untouchables to become Hindu priests.

No single party may win enough votes in April to form a new government. The Congress party has slipped so badly that, according to a secret opinion poll carried out by the police intelligence bureau, it will come third behind the BJP and the National Front.

Peking propaganda: People's Army singalong will be part of attempt to reassure colony



Spot on: Chinese troops who will garrison Hong Kong retrieve targets at a propaganda display in neighbouring Shenzhen

Photograph: Reuters

We love you, Chinese troops tell Hong Kong

TERESA POOLE
Peking

It should have been the plum posting for any ambitious People's Liberation Army soldier.

If yesterday's pledges from Peking are to be believed, however, the thousands of mainland soldiers destined to be garrisoned in Hong Kong after 30 June 1997 are in for a hard slog.

They can look forward to planting trees, dredging rivers, studying "life" in the colony, holding singalong sessions to proclaim: "I love you, Hong

Kong" — and doing an awful lot of reading.

After they arrive, they will not be allowed off base except on official duties "and in an organised manner". And, lest Hong Kong is concerned about the appearance of the mainland troops heading their way, they are all well-groomed, and tall by Chinese standards: the male soldiers will all be over 5ft 5in and the women at least 5ft 3in, according to the official Xinhua news agency.

Such is the sensitivity of a PLA garrison being stationed in

Hong Kong after sovereignty reverts to China next year that the mainland propaganda machine has gone into overdrive in an attempt to reassure the population.

Yesterday, in the Shenzhen Special Economic Zone bordering the colony, the soldiers put on a flawless display for members of the Sino-Hong Kong Preparatory Committee, the mainland-appointed body that will oversee China's preparations for 1997.

It showed just the sort of things to put Hong Kong people's minds at rest: stunningly

co-ordinated crack marksmen shooting the heads off targets, athletic, aggressive troops storming buildings, tanks being blown up and so on.

The image presented by the Peking-controlled newspapers in the colony was rather more benign. *Ta Kung Pao* newspaper said top of the list of songs adored by the soldiers was "I love you Hong Kong".

Xinhua also emphasised that all the hand-picked soldiers have at least senior middle school education, and that most speak English or Cantonese as

well as Mandarin Chinese. During training in Shenzhen, they have been studying the "laws, life and social customs" of their future home. "Reading has become an important part of our daily life," one soldier told *China Daily*.

Another promised reporters: "We won't go to saloons, we won't go to bars, we won't go to karaoke parlours." They might not be able to afford the night life in any case: one Peking-run daily said an army commander in Hong Kong would be paid less than £100 a month.

IN BRIEF

Okinawa rape victim 'used like a parcel'

Tokyo — Prosecutors called for 10 years' jail for three US servicemen they said challenged Japanese society by raping a 12-year-old Okinawa schoolgirl last September as though she was a "parcel". Summing up a case that has threatened US bases on Okinawa and clouded President Bill Clinton's April visit, the prosecution said the rape was of unprecedented viciousness and asked for the terms to be with forced labour. The verdict will be handed down on 7 March by a three-judge panel. *Reuter*

UN set for Iraqi oil-for-food talks

New York — Talks between the United Nations and Iraq on an oil-for-food scheme will begin in New York on 6 February. UN spokeswoman Sylvia Foa said. This followed Iraq's agreement on 19 January to begin negotiations about a plan to permit it to sell \$2bn (£1.33bn) worth of oil over six months to buy badly needed food, medicine and other humanitarian supplies. Meanwhile President Saddam Hussein insisted that there was no truth in some media reports that he has cancer. "Had we not been in winter I would have crossed the Tigris river back and forth swimming as I have done several times," he said. *Reuter*

US jet fighter crashes on houses

Nashville — An F-14 fighter plane crashed into a residential Nashville neighbourhood, setting several houses on fire. A fire official said he feared the pilot had been killed and a local TV station said the pilot and three civilians were dead. There was no official toll. *Reuter*

35,000 await trial in Nigeria's prisons

Lagos — An average of 10 inmates are dying each week in two of Lagos' main prisons, many of them from malnutrition, the *Concord*, an independent newspaper reported. This came after the government's acknowledgement on Friday that 35,000 people are awaiting trial in prisons — some as long as a decade. *AP*

Austria told where arms are buried

Vienna — The United States handed the Austrian government documents detailing locations and contents of Cold War arms caches hidden in the country to help resist a Soviet invasion. The US ambassador, Swann Hunt, who told the Austrians of the armaments last week, delivered the papers to the interior minister, Caspar Einem, who is heading an inquiry into the caches. *Reuter*

Freed French captives were well treated

Marib, Yemen — Seventeen French tourists freed after being held hostage for five days by Yemeni tribesmen were heading by road for the capital, Sanaa. Their captors had set them free after giving them antique gifts, including traditional daggers and firearms. The freed hostages, including 13 women, appeared to be in good health and had been well treated, officials said. *Reuter*

South Africa condemns coup in Niger

Pretoria — South Africa joined world protests against the coup in Niger, with the Department of Foreign Affairs condemning the takeover and calling for constitutional rule to be restored in the West African country. "As long as such events persist on our continent, Africa will not obtain the international respect and esteem to which it is entitled," it said. Lt-Colonel Ibrahim Bare Mainassara, the armed forces chief of staff who ousted Niger's first democratically elected president, Mahamane Ousmane, said the army had no plans to stay in power. *Reuter*

Monks find Buddha beer hard to swallow

Peking — Buddhist monks in east China have forced a local brewery to give up making its Buddha brand beer, claiming it insulted their reputation and dignity. The *China Daily* newspaper reported that the brewery agreed to pay 5,000 yuan (£400) in compensation and apologise to the monks for "loss of face". *AP*

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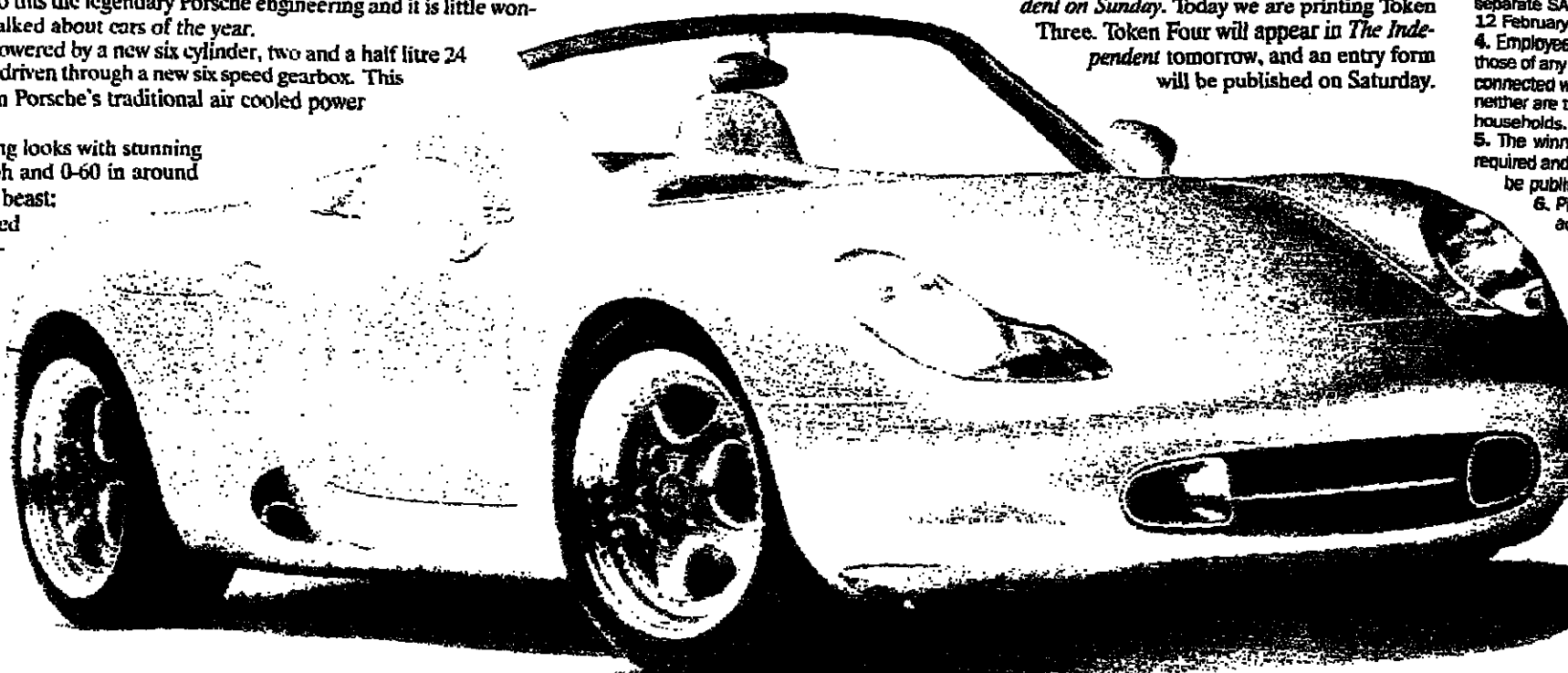
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10. The Porsche Boxster should be available in November 1996, but is dependent on production dates.

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FRY31

obituaries/gazette

Joseph Brodsky

In 1987 Joseph Brodsky, then 47, became the youngest person ever to receive the Nobel Prize for Literature. It had been widely expected, honouring a poet who, born in one culture, had become a master of another.

Brodsky was an only child, born in Leningrad in 1940. His father, Alexander Brodsky, was serving as a naval officer — he only met him once before the age of eight; his mother, Maria Volpert, worked as a secretary, well below her intellectual capacity. In 1949, Brodsky's father was dismissed from the navy during a wave of anti-Semitism, and could only eke out a piece-meal career as a photojournalist. Brodsky would write about the "forty square metres" in which the family lived in the essay "In a Room and a Half", recalling the cramped conditions (though generous by Soviet standards) which helped to make him inward, bookish, solitary.

At 15, Brodsky left school, at about which time he began to write poetry. He worked variously as a labourer, a mill operative and a mortuary assistant among other jobs, while his complex love-life came to centre on Marina Basmanova and their son Andrei; these difficulties were the subject of some of his most moving early work. Brodsky began publishing when he was 18, and rapidly made a considerable reputation. In 1960 he met Anna Akhmatova, the longest-lived of the great generation of herself, Boris Pasternak, Marina Tsvetayeva and Osip Mandelstam. She admired his work but dreaded seeing "The golden stamp of failure / On this yet untroubled brow".

Her fears were justified. Brodsky's success, and the enthusiasm provoked by his readings, alarmed the authorities. Accounts of what happened between December 1963 and January 1964 vary — some have Brodsky on the run, some confined to a psychiatric hospital.

At all events, this period ended with Brodsky being put on trial. The charge was "social parasitism".

The judge, Savelyeva, asked Brodsky who had given him authorisation to be a poet, and he replied, "No one. Who was it who decided I was a member of the human race?" It was for this prickly independence of spirit, rather than anything specifically political, that the poet was punished. At a second hearing, he was exiled for five years to the village of Norinskaya in the Archangel region.

The Brodsky trial was a turning-point for the developing dissident movement: it was also an international scandal, and Brodsky was released early, in September 1965. In exile, he had read W.H. Auden's "In Memory of W.B. Yeats", and its dictum that time "Worships language and forgives / Every one by whom it lives" had set his ethical compass. "If time worships language, it means that language is greater, or older, than time, which is, in its turn, older and greater than space," Brodsky wrote; a poem was now "a game language plays to restructure time".

Though released, Brodsky continued to be persecuted, and was forbidden to accept the foreign invitations his reputation had earned. Finally, on 4 June 1972, he was expelled from the Soviet Union and sent to Vienna. He was met by the American scholar Carl Proffer, who two days later took him to Auden's house in Kirchstetten (Auden was already writing an introduction for Brodsky's *Selected Poems*, his first appearance in English). During the next three weeks, Auden took charge of Brodsky's affairs, seeing to it that he met useful people and received money from the Academy of American Poets.

Brodsky soon joined Carl Proffer as his colleague at the University of Michigan, the beginning of his career in American academia. Other in-

stitutions he was associated with include Columbia, New York University, Mount Holyoke College, Smith College and, in England, Cambridge. Brodsky received many academic and public honours, a Guggenheim Fellowship, a MacArthur Foundation award, an honorary doctorate from Yale, the Nobel Prize and, in 1991, appointment to the one-year post of Poet Laureate of the United States.

In 1990 Brodsky married Maria Sozzani: they had one child. He had undergone three heart operations by the time he was 40, but continued to smoke heavily. He never returned to the Soviet Union, partly perhaps for medical reasons, partly because he had been away for too much of his life when Soviet Communism collapsed.

Brodsky became a familiar figure on the international reading circuit. Together with Derek Walcott, Seamus Heaney and Les Murray, he belonged to the most esteemed group of living poets, although he also formed part of the Eastern émigré cluster including Czesław Miłosz and Tomas Venclova.

His reputation as a writer in the West was enhanced by three collections published in English, *Selected Poems* (1973), *A Part of Speech* (1979) and *To Urania* (1988). He was also an exceptional critic and memoirist, as shown by *Less than One: selected essays* (1988), and he published two plays, *Marbles* (1985) and *Democracy* (1990). His essay on Venice, *Watermark* (1992), is the kind of book travel-writing exists to produce.

Poets usually fear exile because it cuts them off from the language on which they depend. Brodsky told me that this had not been a problem for him, given the ease with which he could always drive north into Canada and listen to Russian radio. Nonetheless, he began to write some poems in English, as well as increasingly translating himself. The results met with

mixed responses. Sometimes Brodsky's vocabulary seems a little aside of what he means, as in the line "thrice let knives rake my nitty-gritty", which is an odd way of expressing heart-surgery. Those who complained about apparent technical deficiencies too easily forgot, though, that Brodsky was engaged in creating a new idiom, precisely the half-English of a deracinated man. From his mentor Auden he learned to rummage in the more arcane areas of English vocabulary, and the resulting style is, while sometimes disconcerting, usually self-consistent and achieved.

Joseph Brodsky's poems are allusive, difficult, learned pieces, influenced by the intellectual concision of John Donne as well as the sudden transitions of Osip Mandelstam. Indeed, though Akhmatova admired him, she was puzzled by his attentiveness on her. The difficulty she found in his work was very far from her own clarity, and we should probably see Brodsky as Mandelstam's heir. Through him, the culture of pre-revolutionary St Petersburg found a continuing voice. Exploring the relation of man and art to time, expressing a great love for the created world and an open attitude to faith (his own position was variable), Joseph Brodsky belonged to a high humanist tradition, and the endless excitement of his daring perceptions kept alive the values of the European civilisation that shaped him.

He wrote that "until brown clay has been crumpled down my larynx, / only gratitude will be gushing from it"; now, it is ours to be grateful. His early death is a catastrophic loss for Russian and American letters.

Lachlan Mackinnon

Joseph Alexandrovich Brodsky, poet: born Leningrad 24 May 1940; Nobel Prize for Literature 1987; married 1990 Maria Sozzani (one child); died New York 28 January 1996.

Ralph Yarborough

Ralph Yarborough was that rare bird in the politics of his generation: a Texas liberal. He was in fact what is known in Texas politics, metaphorically, as a "bomb-throwing" liberal. His former aide and political heir, Jim Hightower, called him "a guy willing to take on the powers that be, take 'em by the scruff of the neck and go right after them".

It was in an attempt to heal the bitterness between the conservative faction of Texas Democrats, led by Governor John Connally and the Yarborough liberals, that President John F. Kennedy made the fatal journey to Dallas in the course of which he was assassinated. And it was because he was not on speaking terms with Connally

that Yarborough was in the second, not in the leading car of the motorcade which was fired into by the assassin.

Yarborough made a greater mark in history the following year, when he was the sole southern senator to vote for the epoch-making Civil Rights Act of 1964. Before that he had steered through Congress the National Defense Education Act of 1958, the first legislation ever in the United States to commit the federal government to support universities since the land grants made in the 19th century.

As chairman of the Senate's Labor and Public Welfare Committee in the 1960s Yarborough consistently and effectively pushed through lib-

eral measures including increases in medical care and the minimum wage.

Ralph Yarborough's life explodes the notion that liberalism in America is a political doctrine associated with the elite. He was born in 1903 on a "hard scrabble" farm in east Texas, a region of corn and cotton farming with a legacy of slavery more like the old South than the open rangeland of west Texas. He was the seventh of 11 children of a farmer.

He won a nomination to the United States Military Academy at West Point, but did not stay. He worked variously as a teacher, as a farm labourer, and building oil storage tanks. In the Twenties he worked his way to Europe on a freighter before re-

turning home to the University of Texas law school at Austin.

He rose rapidly, serving as assistant attorney general of Texas from 1931 to 1935 and as a state judge from 1936 to 1941. When war came, he volunteered for the army and served under General George Patton in Europe, winning the Bronze Star and ending as a lieutenant-colonel. He was briefly the military governor of a large part of Houshu in Japan.

After the war he practised law in Austin. Three times he ran for governor of Texas, and each time he was defeated by conservative Democrats close to the oil industry. At last, in 1957, he was elected, defeating the ultra-conservative Martin Dies. Yarborough remained in the

Senate until he was defeated by the future vice-presidential candidate Lloyd Bentsen in 1971.

Along the way, he defeated the future president George Bush for the Senate in 1964. The names of Lyndon Johnson, Connally, Bush and Bentsen, all of whom Yarborough opposed from the Left, are a reminder of how important Texas was then to national politics.

Yarborough was an uncompromising man. He once got into, and lost, a physical wrestling match on the floor of the senate chamber with the senator Strom Thurmond, the leader of the unreconstructed "Dixiecrat" wing of the Democratic Party at the time.

At his peak, Yarborough was a flamboyant stump speaker. At

his country meetings, his poor constituents would throw dollar bills and coins on to a blanket to pay for his expenses. He once said that "you take a terrific loss financially if you play it straight" in politics.

Yarborough's relations with Lyndon Johnson were never easy and in 1968 they froze to sub-zero temperatures when Yarborough backed the Vietnam peace movement led by Senator Eugene McCarthy. Two years later Bentsen was able to use Yarborough's attacks on the Vietnam war to defeat him.

Geoffrey Hodgson

Ralph Webster Yarborough, politician: born Chandler, Texas 8 June 1903; married: died Austin, Texas 27 January 1996.



Mitchell: a Donald Duck

Thomas Bignall Mitchell, cricketer: born Creswell, Derbyshire 4 September 1902; married 1927 Doris Varcoe (one son, one daughter); died Doncaster 27 January 1996.

Derek Hodgson

Tommy Mitchell

Tommy Mitchell was at 93 the oldest surviving English Test player and one of only three cricketers alive who featured in the famous Bodyline series of 1932-3, the others being the Australians Leo O'Brien, aged 88, and Sir Donald Bradman, 87. Mitchell, a tough, humorous little man, enjoyed the distinction.

As a leg spinner in the 1930s when most county clubs had a good one, he was outstanding enough to play five times for England, and it was on Jardine's tour that he twice dismissed the implacable Woodfull in a Test

and bowled Bradman, in a State game, with a googly.

A miner, who wore spectacles, Mitchell was spotted bowling at the Creswell colliery pithead during the General Strike of 1926. He was recommended to Derbyshire, who were so impressed by the prodigious turn he achieved that he made his first class debut in 1928 and was an integral part of the county's team for 11 years, taking 1,483 wickets at an average of 20.

Derbyshire finished 3-2-1 in the years 1934-5-6, their only championship, when Mitchell

was at the height of his powers, described as merry-hearted but prone to the occasional melancholy that overtakes most spinners. Short-legged but long-armed, he could bowl leg-breaks, topspinners, googlies and off-breaks with almost equal facility and could fight the ball.

In a gentle pre-war profile in the *Observer*, R.C. Robertson-Glasgow described him as "something of a Donald Duck. No cricketer so converses to the spectators the perplexities and frustrations of a man at the mercy of malignant fate. He has

much in common with the golfer who misses short putts because of the uproar of the butterflies in the adjoining meadow."

In Jardine's team Mitchell was close to Larwood, another Midlands miner. Once pressed to reveal all about his mate, Mitchell responded: "Harold doesn't say much. He doesn't have to. He just bowls."

Mitchell bowled his overs quickly, turning sharply at the end of his short run, and his energy and zest was communicated to his fielding where he was described as a brilliant cov-

er point. Mitchell took 100 wickets a season between 1929 and 1938 (168 in 1935 is still a county record), took 10 wickets in a match 29 times and took all 10 Leicestershire wickets, for 64 runs, at Aylestone Road in 1935. When he retired from cricket he went back to the coalface.

In a county, and a team, where the spinner was generally regarded as merely a relief bowler for the regiment of ambitious seamers, Tommy Mitchell was a rare gem.

Derek Hodgson

Malcolm Munthe

Malcolm Munthe's life and work were informed by two central beliefs — the redeeming power of art on the individual and of monarchy on society.

Inextricably mingled with these two principles was his passionate attachment to his English mother, Hilda Pennington-Mellor, whose devoted care was in total contrast to the near indifference of his brilliant Swedish father, Axel Munthe, renowned throughout Europe as a healer, the author of *The Story of San Michele* (1929) and a mesmerist womaniser.

Malcolm Munthe's long vigorous life was divided in two by the Second World War. With the dynamic optimism of his youthful pre-war years, he studied for a Politics degree at the London School of Economics at the same time as running a boys' club in a deprived quarter of Southwark, preparing himself for a career in the Conservative Party and taking part in the social round of debatable balls and London clubs. In 1939 he was offered the comparatively safe Tory seat of East Ham South, but the war intervened.

Munthe returned home from the war haunted by his vision of a tortured, tattered, bombed-out, impoverished Europe that seemed to be heading into terminal decline. Although he remained in the Army long after 1945, teaching the techniques of sabotage, covert operations and espionage, his ambitions now lay elsewhere.

He turned his back on the present and started to gather in the past. He decided to make a cultural ark out of his disparate but extensive family inheritance. It was a grand vision, somewhat hampered by Munthe's financial resources. His charm and single-mindedness attracted the support of two childless maternal cousins with exquisite aesthetic sense. Lord Wharton contributed his collection of pictures, while Lady Helena Gleichen added her Jacobean manor-house to what was to become the Family Trust.

By selling surplus property in London, Somerset, Biarritz, Dalmia, Rome and Capri, Munthe was able to raise sufficient funds to maintain the roofs on four houses crammed with pictures and furniture: the Swedish manor-house of Hildesholm by Lake Siljan; the medieval Castle Lunghezza, between Rome and Tivoli; and a pair of Jacobean manor-houses in England, one outside Much Marcle in Herefordshire, and Southside House, tucked

reclusively among the suburban villas of Wimbledon. He was supported by the tireless labour of his wife Ann and assisted, whenever allowed, by his children, Adam, Katrina and Guy.

These houses are all magical domains, tributes to the imagination and historical passion of Malcolm Munthe, who made a strict yearly calendar for himself based around their respective tourist seasons and annual needs. He lived a Spartan existence, selecting the darkest, least comfortable quarters for his own use, wearing old clothes and surviving on a diet of black tea, biscuits and packet soup enlivened by the odd raw egg.

He remained until the last the most inspired guide, combining a near perfect sense of theatrical timing with a curious otherworldliness which made even the most doubtful of attributions take on the bright flame of truth. I never once heard him identify himself to tourists, draw attention to pictures he had painted (which he often passed off as the work of his brother), or talk about his war years in other than self-mocking detachment, while he allowed his three books (*Hellen: the story*

of a Herefordshire manor. The Bumy Boys and Sweet Is War) to sink into undeserved obscurity.

His manners were impeccable. He had the long, graceful hands of an ascetic and instead of a handshake would cup your hand with both of his. In the last month of his life he revealed the true depths of his self-discipline. The day before he died he left the hospital with notes for two new books.

Barnaby Rogerson

Malcolm Munthe's disarming, gentle voice, charm and sense of humour concealed a brave, tough and resourceful strength of character, writes Peter Lee.

Enlisting as a private in the Gordon Highlanders, he was sent to an OCTU and then summoned to the War Office. There he met Andrew Croft and Peter Fleming, lifelong friends. After a hectic course in explosives they were dispatched to Finland, and disrupted the railways before the Finns capitulated.

Munthe arrived in southern Norway as liaison officer to the Norwegian army in March 1940, the same time as the Germans. After being wounded in the leg and captured, he was "allowed" to escape to Sweden by a friendly German army ex-medical student who was supposed to hand him over to the Gestapo.

Back in England, he was sent for by Sir Charles Hambro, the head of the Special Oper-



Munthe: otherworldliness

ations Executive. From August 1941 to the end of 1942 he ran the SOE's Norwegian section, before returning to the field, this time to "Massingham", the SOE base in North Africa.

In summer 1943 he travelled to Sicily and then to Salerno to contact Italian resistors. He went over to Capri to ensure that his father's villa, San Michele, was requisitioned for the English, set up a small unit on the island, and from one of his best coups took place. Benedetto Croce, the brave anti-Fascist philosopher whom Hitler had dared to silence, was living in the Villa Iridea at Sorrento. The Allies persuaded him to leave at dead of night with his elder daughter. Next morning the Germans surrounded the villa. Munthe decided to rescue Signora Croce and her daughter himself, and with Alberto Tarchiani (later Italian ambassador to Washington) set off for the villa. Luckily the guards had withdrawn to repair a bridge bombed by the RAF, and the rescue was swiftly effected.

Soon afterwards Munthe set up headquarters in liberated Naples. On 6 February 1944, he and Michael Gubbins (son of General Sir Colin Gubbins) were hit by a mortar shell while trying to get through the lines of Cassino. Gubbins was killed outright and Munthe so severely wounded that he took no further part in the war.

Malcolm Grantham Munthe, soldier and preservationist: born London 30 January 1910; married 1945 Anna Rea (one son, one daughter and one son deceased); died London 25 November 1995.

A memorial service for the life of Malcolm Munthe takes place today, at St James's Church, Piccadilly, London W1, at 11am.

Births, Marriages & Deaths

BIRTHS

SCOTT: On 25 January, at the Princess of Wales Hospital, Bridgend, to Tina (née Bartlett) and Brendan, a beautiful new daughter, Maia, sister to Brigid.

Announcements for Gazette BIRTHS, MARRIAGES & DEATHS (Births, Adoptions, Marriages, Deaths, Memorial services, Wedding announcements, In Memoriams) should be sent in writing to the Gazette Editor, The Independent, 1 Canada Square, Canary Wharf, London E14 5DL, telephoned to 0171-293 2011 or faxed to 0171-293 2010, and are charged at £6.50 a line (VAT extra). OTHER Gazette announcements (poems, obituaries, obituary notices, obituary notices, obituary notices, obituary notices) must be submitted in writing (or faxed) and are charged at £10 a line, VAT extra. They should be accompanied by a daytime telephone number.

ROYAL ENGAGEMENTS

The Princess Margaret, President, National Society for the Prevention of Cruelty to Children, visited St. Paul's Cathedral last night, and receives a cheque for money raised by employees for the Society's Mid-Staffordshire Branch on Tuesday.

Changing of the Guard

The Household Cavalry Mounted Regiment presents the Queen's Life Guard at Horse Guards, from 1st Battalion from 10.30am to 11.30am, and 2nd Battalion from 11.30am to 12.30pm.

Birthdays

Sir Herbert Ashworth, former chairman, Nationwide Building Society, 66; Mr Jack Bowman, former Chief Constable, Tayside, 66; Sir Frederick Catherwood, former MER, 71; Sir John Dutton Clerk of Penicuik Bt, former Lord-Lieutenant of Midlothian, 79; Mr Phil Collins, musician, actor and singer, 45; Miss Christina Foyle, bookseller, 85; Sir Robert Gatehouse, former High Court judge, 72; Mr Gene Hackman, actor, 64; Mr Lynn Harrell, former Principal, Royal College of Music, 52; Mr Patrick Harland, painter, 76; Professor Christopher Hawes, Second Commissioner and chief executive of the Crown Estate, 54; The Earl of Huntingdon, racehorse trainer, 48; Viscount Long, a Lord in Waiting, 67; Lord Mackay of Drummond QC, Solicitor-General for Scotland, 50; Lord Lowry, former Lord Chief Justice of Northern Ireland, 77; Sir Charles Maniell, High Court judge, 59; Professor Stan Mason, Vice-Chancellor, Glasgow Caledonian University, 62; Mr Bob Munden, chairman, Rank Hovis McDougall, 63; Mr Mitch Murray, song composer and producer, 56; Sir Foley News, former overseas administrator, 87; Professor Alexander Ogston, former President, Trinity College, Oxford, 85; Mr Louis Ouman, architect and goldsmith, 82; Mr Hal Prince, theatrical director and producer, 56; Sir Foley News, former overseas administrator, 87; Professor Alexander Ogston, former President, Trinity College, Oxford, 85; Mr Louis Ouman, architect and goldsmith, 82; Mr Hal Prince, theatrical director and producer, 56; Sir Colin Rimer, High Court

judge, 52; Mr Boris Spassky, chess champion, 58; Mr Martin Taylor, chief executive, Barclays Bank, 52.

Anniversaries

Births: Walter Savage Landor, author, 1775; Franklin Delano Roosevelt, 32nd US President, 1882; Beatrix Potter, children's author, 1867; Frank Nelson Doubleday, publisher and editor, 1934; Orville Wright, aviation pioneer, 1948. On this day: Adolf Hitler was appointed Chancellor of Germany, 1933; the state funeral of Sir Winston Churchill took place, 1965; Today is the Feast Day of St Adelmeus or Adeleus, St Aldenodus, St Barsinamus, St Bathildis, St Hincintha Mariscotti and St Martin.

Lectures

Highgate Literary and Scientific Institution, London N6: Dawn Adams, "The Survivors", 7.45pm. RIBA Architecture Centre, London W1: Liza Fior, Katherine Clark, Juliet Biddgood, "Born Free", Dave King and Rod McAllister, "... in competition", 6.30pm.

Royal Over-Seas League

Mr Derrick Heaven, Jamaica High Commissioner, was the guest speaker at a meeting of the Royal Overseas League's Discussion Circle held yesterday evening at Mykonos House, St James's, London SW1. His subject was "Why are Bananas so Important Economically?"

Magistrates cannot question child support assessment

LAW REPORT

30 January 1996

On a complaint that a deduction from earnings order made in relation to child support was defective, magistrates had no power to question the assessment of child support or to order repayment of sums paid under a defective deduction from earnings order.

Mr Justice Latham allowed five appeals by the Secretary of State against magistrates' decisions under the Child Support Act 1991.

The Act imposed responsibility for maintaining a child on each parent. A child support officer made a maintenance assessment or an interim maintenance assessment. Assessments could be reviewed and appealed to a child support appeal tribunal, a child support commissioner and the Court of Appeal.

Collection of child support could be made by a deduction from earnings order or a liability order. Sections 32(b) and

33(4) provided that, on appeal against a deduction of earnings order or on application for a liability order, the court should not question the maintenance assessment. Regulation 22 of the Child Support (Collection and Enforcement) Regulations 1992 provided that an appeal against a deduction from earnings order could be made only on the grounds that the order was defective or the payments did not constitute earnings.

Regulation 9 set out the matters to be included in an order. In the first appeal, the respondent claimed that he was no longer liable to make payments under a deduction from earnings order made in March 1994 after the child went to live with him in August 1994. The magistrates decided the order was defective after August 1994. In the second appeal, the magistrates decided that an assessment of maintenance was defective and quashed a deduction from earnings order.

In the third appeal, magistrates quashed a deduction from earnings order on the basis of a procedural defect in the making of an interim assessment order. In the fourth appeal, the magistrates refused to make a liability order for arrears under an interim maintenance order made without reference to the respondent's means on the basis that the respondent had supplied all documentary details to the Child Support Agency for making a maintenance assessment.

In the fifth appeal, the magistrates ordered repayment of monies deducted under a deduction from earnings order which was defective.

Mark Shaw (Department of Social Security Solicitor) for the Secretary of State; Nick Lockett (Plemons) for the respondent in the fifth case.

Mr Justice Latham said that all matters relating to the quan-

tification or validity of a maintenance assessment were to be dealt with through the review and appeal structure created by the Act.

The right of appeal against enforcement given by regulation 22 was restricted to two technical grounds. As any challenge to the quantification or validity of the maintenance assessment was precluded, the word "defective" in regulation 22 could only mean a defect in form, namely a failure to comply with the requirements of regulation 9.

As far as liability orders were concerned, the consequence of section 33(3), taken with 33(4), was that the sole question to be determined by the magistrates was whether or not payments had become payable by the liable person and had not been paid. If that was established the magistrates were bound to make a liability order.

In the first appeal the mag-

istrates could entertain a complaint only within 28 days of the actual making of the deduction from earnings order and had no jurisdiction to find the order was defective on the basis that the child was not a qualifying child. In the second, third and fourth appeals the justices were not entitled to question the validity of the maintenance assessments.

In the last appeal it would be surprising if the power to quash a deduction from earnings order under regulation 22 was intended to include a power to order repayment. The Child Support Agency was merely collecting money. The consequence of an order for repayment would be to require the agency, which had not been unjustly enriched because the money had gone to the parent with care of the child, to pay a sum of money to the liable parent. The magistrates court had no power to order repayment of sums paid under a defective deduction from earnings order.

Ying Hui Tan, Barrister

They laughed when Andrew Lloyd Webber said he wanted to put TS Eliot to music. Who's laughing now? asks Rebecca Fowler

How 'Cats' conquered the world

They said it would never work: a musical in which grown men and women would dress up as cats and sing along to the words of TS Eliot's poetry. It was spurned by theatrical investors as madness, scoffed at by critics and until the very first night disaster was predicted for *Cats*. Even that was blighted by a bomb scare, which cleared the theatre.

But 15 years on, *Cats*, the musical, is the most successful show in the world. Last night, on its 6,138th performance, it overtook *A Chorus Line* as the longest-running musical ever in London. Its creators, Andrew Lloyd Webber, the composer, and Cameron Mackintosh, the producer, have both received knighthoods; and between them they have been at the forefront of establishing the musical as the greatest commercial force in the history of British theatre.

When audiences finally beheld the spectacle, it was like nothing else to have appeared on the British stage. The Jellicoe cats exploded from every corner of the theatre in the opening scene, rolling around in the Lycra and legwarmers that became the dance uniform of the Eighties; the New London Theatre was rebuilt to accommodate a set that broke all boundaries by using the whole of the theatre instead of just the stage; the frenetic combination of acting, dancing and singing buried the conviction that Britain could not take on the Americans at their own game; and one song, "Memory", was etched on the national consciousness, sung by everyone from street buskers to opera singers.

According to its supporters, *Cats*' greatest legacy was to create an entire new audience of theatre-goers.

eager for the new mix of populism and innovation, who had been turned off by theatre's elitism. In its first eight years, every seat in the house was sold; even now only a handful lie empty.

Raymond Gubbay, the promoter who puts on hugely popular shows of classical hits, said: "It brought a huge number of people to the theatre who wouldn't otherwise have come, and broke all the barriers. Even the set broke away from tradition and the proscenium arch, to make it more accessible and less formal."

Sir Andrew, fiercely sensitive, still has his critics who accuse him of dragging theatre down to the lowest common denominator. None, however, can deny the power of *Cats* as a popular institution on a par with the Royal Family and, more recently, the National Lottery.

As the public fell in love with the Lycra and the crashing chords of "Memory", Lloyd Webber and Mackintosh piled up

their profits and became the most prolific figures in British musicals.

Sir Andrew remembers it as a high-risk venture: "We knew that when it came to the crunch we would either come up with something very extraordinary or a total turkey. I had forgotten how close we came to calling the whole thing off."

Still searching for the last £50,000 to launch the production, Lloyd Webber, having already remortgaged his house, invited senior Warner Brothers executives to listen to him playing the score on his piano. They weren't impressed. In the end, he and Mackintosh raised three-quarters of the £450,000 capital they needed from small investors who put in £750 each.

The financial success in large part stemmed from the innovative marketing strategy created for the show. Under the guidance of the legendary producers Robert Stigwood and David Land, who produced *Evita*, they franchised the show in much the same way as McDonald's has franchised its method of making and selling hamburgers. In the past there have been shows that have transferred from Shaftesbury Avenue to Broadway. *Cats* took the international

marketing of theatre on to a different plane. It created the theatre production as a global product; Andrew Lloyd Webber became a global brand.

Sheridan Morley, the theatre critic and broadcaster, described it as a breakthrough for the economic potential of theatre. "Until the end of the Sixties, shows that opened in London would be bought for America in the way that books were, and redone by the Americans for the Americans. What they established was this idea of moving in like a task force, to put exactly the same show on whether it be in Manchester or Malaysia. It showed we could provide a musical that could rival anywhere, including the Americans, and export it."

The effects of its financial success spread beyond the theatre, including establishing Sir Andrew Lloyd Webber as a significant patron of the fine art sales rooms. His recently acquired Picasso bought for \$29.5m is on view at the National Gallery. Sir Cameron Mackintosh is said to be worth about \$200m. Sir Andrew has homes in Berkshire, New York, London, the south of France and Ireland. The success of *Cats* also allowed the publishers Faber and Faber, which is part of the TS Eliot

estate, to flourish as a small independent while others have been swallowed up in mergers. "That was probably more significant than a single note of the musical," said Robert Hewison, the cultural historian.

But the theatrical legacy was to redraw the map of the West End. It was the start of an unprecedented crossover between the populist, commercial world of musicals and the high-brow world of subsidised classical theatre. Trevor Nunn, the director of *Cats*, was the first to make the leap from the Royal Shakespeare Company. He was joined by John Napier, the RSC designer, while Gillian Lynne, the choreographer, had a Royal Ballet background.

"There isn't any longer a feeling that people who want to be taken seriously shouldn't do that," said Trevor Nunn. "I was fascinated by what we mean by populism, and how it might be possible to do a work with a hidden underlayer, and for a populist audience still to get it. It seems to me it works."

Others now move in and out of populist and classical theatre with ease. Sam Mendes, tipped as the next director of the National Theatre, directed Sir Cameron's production of *Oliver*; Declan Donnellan of Cheek By Jowl, applauded for its Shakespeare productions, is taking on *Martin Guerre*. Sir Cameron's latest musical, *The legacy of Cats* has created a new generation of musical performers, as the demand for singers and dancers grew with the success of musicals.

There are plenty who still turn up their noses at *Cats*. Its critics deride it as nothing more than shallow entertainment, with no lasting artistic merit. Its supporters, including Raymond Gubbay, who is staging the 100th anniversary production of *La Bohème* this week at the Royal Albert Hall, believe that in time Sir Andrew may be seen as the Puccini of his day, a composer spurned by the Establishment who was a popular hero.

"There is no doubt songs like 'Memory' will be around for decades and decades to come. Maybe it does offend the snobs, but if it's a beast that touches people's hearts, and it does, why not? It's just a bloody good tune."



THE AUDIENCE

7 million people have seen the London show
Based on 1991 survey the average audience for modern musical:
34% overseas; 45% rest of UK;
21% London
34% audience came to London specifically to see a show
54% female; 45% under 35; 94% came in couples or groups
For first eight years *CATS* ran without a seat unsold.
Book early: the entire house is already sold twice over to an oil company for corporate junket in 1997



ECONOMICS

Ticket prices:
1981 £3.75-£9.50
1996 £10.50-£30
A £1,000 investment in *Cats* in 1981 would now be worth £26,500
£1hr: box office gross worldwide
£85m: box office gross, London
£450,000: original production cost
\$300,000: Broadway takings last week
200% return for investors in first 10 years
100% return for investors in last five years (rising production costs)
Cats is the foundation on which Reilly



West End box office ticket sales, millions

and Budapest's, City Theatre - (805). Tonight's worldwide audience likely to be 6,200, given approx 90 per cent attendance rate



WHAT HAS GONE INTO IT?

The London show has consumed:
31,875 headache pills;
35,025 posters (150,000 square feet);
450 microphones (*Cats* pioneered the use of radio microphones);
449,280 throat pills;
3,900 pairs of shoes;
3,450 costumes for 262 artists;
10,800 make-up sponges;
1,470 batches of each eye shadow, lipstick, pencil, mascara and blusher



WHAT HAS COME OUT OF IT

Merchandising: *Cats* was the first fully merchandised musical. You can buy badges, baseball caps, bookmarks, keyrings, TS Eliot's *Possum's Book of Cats*, posters, T-shirts, watches, cassettes, CDs. Merchandising from its shows now accounts for 5 per cent of Reilly Useful Group's profits of £46m last year. The hit song "Memory" has been played 46,875 times on British television and radio.

Tiffanie Darke



DIARY

Hezza saves his own life

There was much happiness in Michael Crick's household last week when the *Newsnight* journalist and author of the criti-



I know what you're up to

cally acclaimed biography of Lord Archer, *Stranger than Fiction*, received a letter from Michael Heseltine, agreeing to see Crick, who is embarking on a tome of our esteemed Deputy Prime Minister's life to date.

But once Crick had arrived in the Whitehall offices Hezza was straight with him. No, he would not help him because he might want to write his own memoirs at some point and,

secondly, he suspected Crick might want to talk about his time in government (no, really?) and he did not want to.

However, Crick did not leave the premises an entirely deflated man. "There were two pluses," he tells me. "The first is that I met Humphrey the cat, who snored in a chair in the waiting room. The second is that I had a good look at Hezza's office, and I think we've been misinformed. From what I could see it is only the size of half a tennis court."

How to purr

Sir Cameron Mackintosh knows how to throw a party, as those who attended the record-breaking performance of *Cats* last night, and quaffed champagne afterwards, will know. He also knows how to choose his words and his dates.

Cats in fact overtook *A Chorus Line* to become the longest running musical in the West End on Broadway last week, but Sir Cameron was not available then to celebrate. Also note the wording, "the West End or Broadway". Had it said London or New York, then 15-year-old *Cats* would have been shown a thing or two by 26-year-old *The Fantasticks*, still going strong in New York, just

off Broadway. Still, what's a few yards, and 11 years, between friends? Let's party.

Is Anna a high-flyer?

It's always dangerous to give vent to your fantasies in print, as Anna Ford is fast learning. The newscaster and presenter



Aerial performer?

of Radio 4's *Today* confessed in the *Spectator* that after seeing the mesmerising Cirque du Soleil at the Royal Albert Hall she wanted to run away to circus school and become a trapeze artist. Titled, the *Daily Express* enterprisingly offered to fund the project.

Now I gather that the French-Canadian circus troupe itself has heard of Ms Ford's interest and is considering

offering her a part in the show. The climax of the show involves a spectacular bungee ballet finale, during which beautiful ladies dive in sequence from trapezes. A circus spokesman tells me: "We have seen Anna Ford on television and made inquiries about her. We would be prepared to give her the requisite training and a spot in the finale if she is up to scratch."

They would even supply the tights. Over to you, Anna.

A Wapping great row

Rupert Murdoch celebrated the 10th birthday of the Wapping dispute by giving his employees there a T-shirt and a clock engraved with the slogan "Ten Years Of Achievement". There was less harmony over the weekend at the alternative celebrations hosted by the London branch of GMPU, the union that represents what is left of the print workers. Showing that old principles and old funds die hard, the London branch's 800-strong party, addressed by Tony Benn, was boycotted by all of GMPU's national officers.

The national office and the London branch failed to agree on tactics 10 years ago and have been disagreeing ever since. Eagle Eye will be presenting them all with a *Ten Years Of Argument* T-shirt.

New job for Harriet

I overhear an ingenious suggestion being canvassed by a group of Labour MPs in the corridors at Westminster. They say that Tony Blair could have instantly solved the Harriet Harman dilemma by moving her from Health to Northern Ireland. Once ensconced at Stormont, she could continue to send one son to a Catholic grammar school and the other to a Protestant grammar school. Alternatively, she could be very progressive and send both her sons to an integrated school.

None of the aforesaid MPs is brave enough to put the suggestion to Mr Blair. Pity.

HRH Greta

I see the Oxford Union is to debate the motion: "This House Believes that Britain Needs a Personal Privacy Law."

It's surprising to see a government minister actually opposing the motion. But Steven Norris, the transport minister, famed for his bus-load of lady friends, is speaking against. The Oxford Union publicises the debate with a picture of Princess Diana and the quote "I want to be alone", attributed to Marlene Dietrich. Garbo, boys and girls, Garbo. Take 100 lines.

Eagle Eye

Generation Why

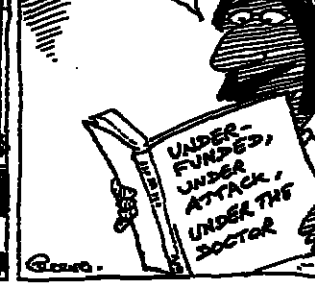
by Tony Reeve and Steve Way



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TELEPHONE 071-298 2000/071-345 2000 FAX 071-298 2435/071-345 2436

EDITOR: Charles Wilson

ASSISTANT EDITOR: Charles Leadbetter MANAGING EDITOR: Colin Hughes
SECTION TWO EDITOR: Simon Kelner SATURDAY EDITOR: David Robson
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The law and the stalker

Women around Britain will shudder. A young mother living in Cambridgeshire, supposedly under police protection, is raped by a stalker who had followed her for months. This morning many women will be feeling more vulnerable as a result. The perpetrator, who had previously attacked his victim, is still on the loose a fortnight after the rape.

This case sounds like a horror film designed to describe a world almost beyond the reach of the law, in which the police are powerless to protect people against a known threat. But this is not Hollywood. This is not a crazed fan in pursuit of a star protected by private bodyguards. This is middle England.

The police have said they were "comfortable" with the protection they were giving the woman. They clearly underestimated the viciousness of the man they were dealing with. He followed his victim for four months, sent her letters and left messages on an answering machine which threatened violence and sexual offences. He then raped her in her own home. Even though the man involved has a number of distinctive features and was in the area for a considerable time, the police have yet to identify him.

It is too early to judge the way the police dealt with this case. It may have been that there was an operational shortcoming that can be easily corrected. But it is certainly difficult to avoid the conclusion that the seriousness of the threat was not recognised, despite many warning signs. Everyone lives with the remote possibility of random violence. But women understandably and rightly expect the police to deal with someone who makes them terrified to go

to bed, pick up the telephone or visit the supermarket.

After this case the police will face an uphill struggle if they are to convince women that they will be supported properly when in danger. It may be that the authorities should consider, in future, offering 24-hour protection in such cases until the stalker has been dealt with. Whatever the details the police should urgently review their procedures.

It is also time to take a careful look at the law covering stalking, an offence of which there is growing awareness. At the moment, a stalker, if charged at all, is likely at worst to face action under the 1986 Public Order Act, which provides a maximum £1,000 fine as punishment for someone found guilty of threatening someone else. Alternatively, a stalker can be bound over to keep the peace or can face a civil injunction restraining him from repeating his behaviour.

These measures are hardly draconian. They are unlikely to provide adequate or speedy protection for a woman, whose life can become a misery before the law finally steps in. Here is an area in which politicians could fruitfully explore the possibilities for strengthening the law. There are civil liberties to be weighed up: it would be a mistake to whip up hysteria over a single case. But calm consideration should be able to generate a specific anti-stalking law along the lines of changes that have already been introduced in California.

This attack occurred in the Prime Minister's constituency of Huntingdon; he would be better off dealing with its worrying implications than trading empty insults, as he did yesterday, with Labour over which party is soft on crime.

We must prepare to get old

Few fit and healthy young people spare a thought for how they might pay for the meals on wheels, or the residential nursing home 50 years down the road. About one in five people are likely to need long-term care once they retire. But planning for that eventuality is not high on most people's lists of priorities.

Our population is ageing; the burden of long-term care is growing. According to a report released yesterday by the think-tank IPPR and the economics consultancy London Economics, the number of people in need of long-term care will rise from 2.2 million today, consuming 6,600 hours of care a year, to 3.3 million, needing 9,700 hours in 2031.

The current system is likely to come under increasing strain. At the moment only those with assets worth less than £16,000 are eligible for government support. Everyone else is obliged to fund their own care – and, if necessary, to sell their assets (usually their house) to do so. This year 40,000 people will be forced to sell their houses to pay for care. Relatives expecting to inherit a nest egg are losing out. Conservative backbenchers claim to have lost bags full of complaints.

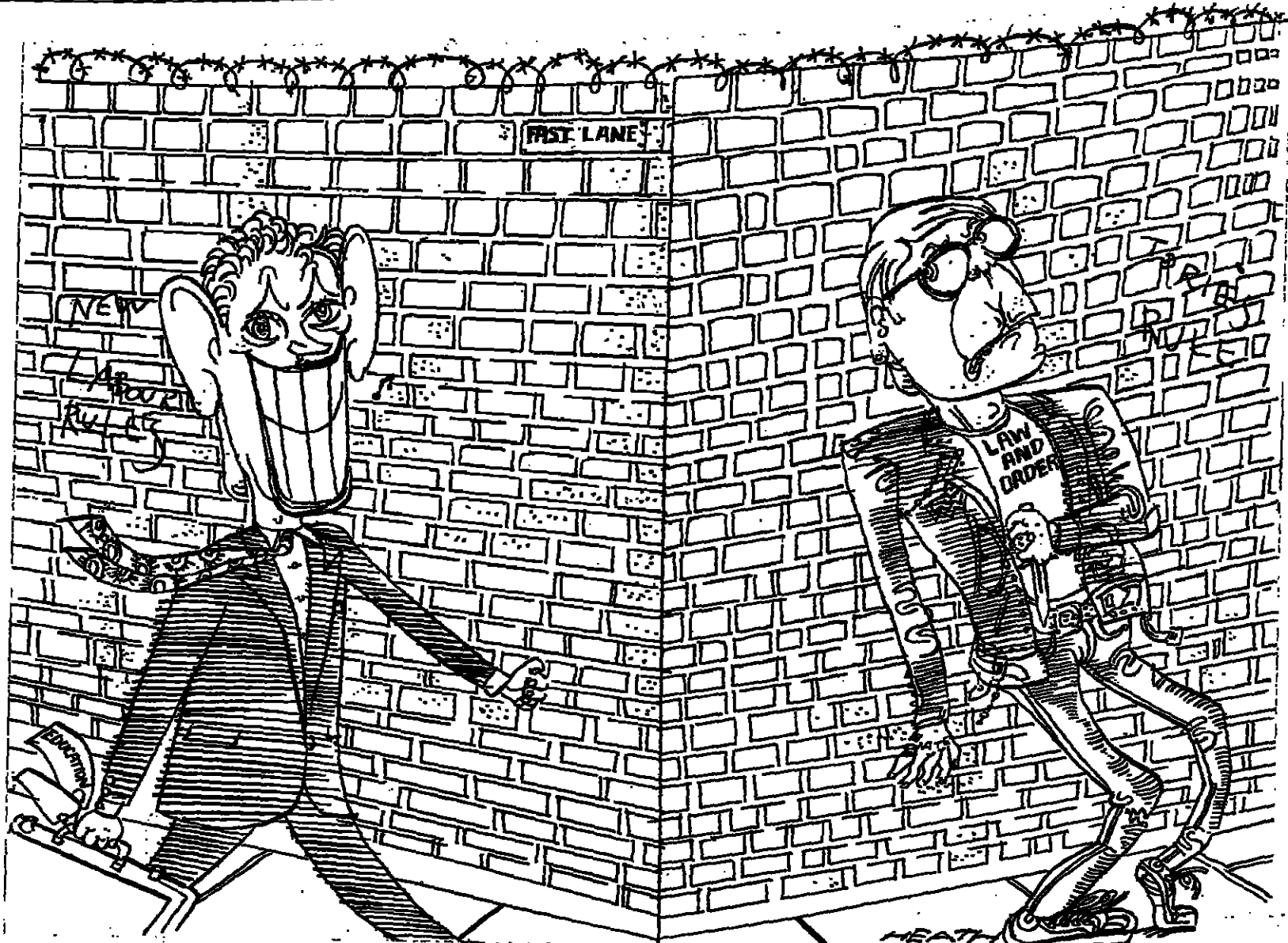
All would be well if everyone decided to take out insurance to finance their care, should they need it. The trouble is that most people cannot afford to do so or will not. Given a choice, most people would prefer to spend their current income rather than put it by to guard against a risk at some distant point in the future. So a voluntary insurance system is full of pitfalls. Yet expecting the taxpayers of 2031

to fork out for the steeply rising costs of their grandparents' care seems increasingly unfair.

So this is the trap that we are in: we expect government to make sure the supply of long-term care will rise to meet demand and yet we balk at the prospect of paying more taxes. There are two escape routes. The first would be a sweeping reform to introduce compulsory insurance for long-term care for everyone. It does not matter whether this is administered by the state or the private sector. The purpose would be to make the current working generation save for their future likely needs. The size of the insurance premium would depend on ability to pay; the state would step in to build up credits for the unemployed. It would not be a tax; it would be saved to pay for future care.

The second approach would be to encourage the creation of a new private insurance market for those with assets, who could pledge a portion of those assets to fund an insurance policy for their old age. The state would continue to provide for those who cannot afford their own care.

Whatever the details of policy, the fact is that as a society we will have to devote more resources in the next 40 to 50 years to caring for the elderly and ill. The state cannot afford to stand by and just hope people will provide for themselves, but any intervention would be extremely politically sensitive. We need new and imaginative schemes, of the kind outlined by the IPPR, to bring together the public and the private – and we need to start work on them soon.



LETTERS TO THE EDITOR

Romance plays little part in the lives of most child brides

From Ms Sue Rose
Sir: You suggest (leading article: "Sad tale of a modern-day Juliet", 25 January) that child marriages are OK on the grounds that in some places they are popular and culturally acceptable.

In male-dominated societies child marriages do not exist out of any sympathy for the romantic ambitions of 13-year-olds. They exist to pander to the sexual tastes of men and to ensure that girls have little opportunity to develop independent lives and, instead, remain under the control of men. One thing the average child wife does not have, as a rule, is the support and protection to "flee" when things go wrong.

It is sad that, in your attempts to prove your cultural tolerance, you end up supporting a practice which is killing and hurting large numbers of girls worldwide. Cultural practices in all their forms that specifically discriminate against females kill more women and girls around the world than any other single cause.

Yours faithfully,
SUE ROSE
London, SW11
26 January

From Ms Joan Hignam Davies
Sir: The marriage of 13-year-old Sarah Cook should shock us: the marriage of female children

is still a commonplace in many parts of the world.

Despite a century of missionary schooling, despite contact with the West and Western ideas, small girls generally remain outside human rights considerations.

The marriage of seven- or eight-year-olds is actually on the increase in east Africa – sleeping with a virgin is believed to cure AIDS; and 10- to 11-year-olds cannot be guaranteed to be "pure" enough. The marriage of nine- to 10-year-old girls is also on the increase in Pakistan, partly as a result of a backlash to foreign criticisms of Muslim practice. The International Conference on Population and Development in Cairo in 1994 was told that half a million women a year die as the result of complications of pregnancy and childbirth: what was not pointed out was that many of these mothers are only children themselves.

Sarah Cook is a lucky girl to arouse so much concern: but then she is British, and white. Yours sincerely,
JOAN HIGNAM DAVIES
Upton-upon-Severn
Worcestershire
25 January
The writer is a member of Anti-Slavery International.

From Ms D. V. Baird
Sir: I cannot see any useful purpose being served by bringing

Sarah Cook back to England, unless she wishes it.

She seems happy and well-cared for among her "Turkish in-laws" and might as well remain there for the present. There used to be a tradition of betrothed brides going to live with their future in-laws, to learn the skills of managing a household and to be educated.

Sarah might use her time learning the language and customs of her adopted country and perhaps continuing with some kind of formal education. Knowledge is never wasted and if, in time, she and Musa can marry properly, so much the better. If they decide to part, nothing will have been lost, she will still be young enough to follow another path.

Yours etc,
D. V. BAIRD
Eastbourne, East Sussex
26 January

From Mr Michael Johnson
Sir: Sarah Cook is already caught in a conflict between Turkish state law, which does not permit her "marriage", and Islamic law, which apparently does. The position is similar in the UK, where the minimum age for marriage is imposed for criminal and civil reasons, not because of dogma: the Christian churches accepted child marriages for centuries. At the same time, this reaction lays us open to the charge of hypocrisy,

because under-age sex and pregnancies happen here and we tolerate them while still forbidding marriage before 16.

There is a real risk of letting this rather pathetic case balloon into a clash of cultures, in which the arguments would not all be on the British side. The backlash could seriously weaken our credibility when we take a moral position in pressing Turkey on fundamental human rights issues. It could also further damage understanding between Islam and western Europe, including Britain.

None of that would help Sarah. If she were in the UK, the case would be handled according to UK law and policy. As she is in Turkey she should be allowed to await the decision of the courts and, as she grows up, to decide with her family what to do.

Yours faithfully,
MICHAEL JOHNSON
London, N6
28 January

From Mrs V. A. Dunton
Sir: The Turkish mayor who is supporting 13-year-old Sarah Cook's marriage to a waiter says "girls mature earlier in the desert".

Have you been to Braintree? Yours faithfully,
V. A. DUNTON
Bishop's Stortford, Hertfordshire
29 January

Medical litigation and legal aid

From Dr Anthony Barton
Sir: Lord Woolf's inquiry Access to Justice now turns to the difficulties of medical litigation.

Most medical and drug claims are legally aided. The Legal Aid Board usually relies on the advice of plaintiff lawyers in deciding whether to fund a claim. Such advice is not independent, as the lawyers have a pecuniary interest in advancing the case. The success rate of medical claims is only 12 per cent (according to the Board) and negligible for drug claims.

Legal aid encourages lawyers to speculate with public funds in the name of justice to such little benefit for patients, and with apparently scant regard for the merits of the case or the quality of representation. Scarce funds are diverted from medical care to irrecoverable legal costs. Too often lawyers are the only beneficiaries.

The grant of legal aid must be based on independent advice if medical litigation is not to be a self-serving industry for lawyers at the expense of patients. Yours faithfully,
ANTHONY BARTON
London, N1
25 January

Passing toy costs down the line

From Mr Bill Jordan
Sir: You carried the news of a proposed take-over of Hasbro, maker of Sindy and Cabbage Patch dolls, by Mattel, producer of Barbie dolls ("Barbie eyes up Action Man in Toytown battle", 26 January). How would this possible take-over affect those who work for these two firms? It is no secret that most of their toys are made in factories in China and Thailand, which compete fiercely to win production contracts from the large brand-name toy companies.

Your article described Hasbro's chairman, Alan Hassenfeld, admitting that he has to be more "aggressive". We hope that this aggression does not fall on the tens of thousands of workers in China and other Asian countries who work for Hasbro's and Mattel's sub-contractors.

At least 250 Asian toy workers have been killed in the last four years – 90 per cent of them women, and many of them child labourers. It was in a Thai factory which made Hasbro's Cabbage Patch dolls that the world's worst factory fire occurred, in which 188 people were burnt alive, in 1993.

What is needed is a new global code of conduct signed by toy manufacturers – and Mattel and Hasbro as the world leaders could show the way – to ensure that contracts drawn up with sub-contractors include sections which deal with workers' rights. Yours sincerely,
BILL JORDAN
General Secretary
International Confederation of Free Trade Unions
Brussels
26 January

Prison staff pay

From Mr Mark Leech
Sir: The announcement that the Prison Service is to cut the number of prison officers by almost 3,000 will have a profound effect on control inside our penal system, but a more effective solution to the problem of overstaffing is available.

The working practices of the English prison service have long since been the dictate of the Prison Officers' Association. Despite the fact that less than 20 per cent of prison officers actually work with prisoners in the cell blocks, all officers earn exactly the same amount (circa £18,000), dependent not so much on their responsibility as length of service. Paying for all these officers, when only a small proportion actually

do the essential work, is at the root of the massive problem of staffing costs.

A year ago the Scottish Prison Service tackled this problem by introducing a radical restructuring that placed prison officers into one of five pay bands: those in the cell blocks who took the most risks received the most money, while those, for example, who manned the prison gate received a lesser amount – meaning a £5,000 per annum cut in pay.

Had Michael Howard adopted this approach, there would be no need for these inept cuts in prison staff.

Yours sincerely,
MARK LEECH
Editor
The Prisoners' Handbook
Bristol
25 January

Sic transit Brutus

From Ms Bridget Clarke
Sir: With reference to the Rev Andrew McLuskey's Latin tag (letter, 26 January), I understand it was Brutus who *adsum iam forte* (or even *Gratula*).

Caesar *adernat* Brutus was then *sic in omnibus*, while Caesar *sic inat*.

Yours faithfully,
BRIDGET CLARKE
Banham,
Norfolk
26 January

Fast track, but to where?

From Professor Joan Freeman
Sir: Acceleration or fast tracking (to use the American term) of bright children in schools ("Blair fast track scheme for schools", 29 January) is rare in continental Europe, where the academic success of the children does not appear to have suffered.

Acceleration is often a sad move for the children. European research shows they lose the companionship of their own age group, feel themselves to be under-sized, are not as frequently picked for the sports team, and so on.

Acceleration is just what it says, speeding learning without time to round out understanding or to experiment with different approaches. It is a sticking plaster to cover up for a poor basic system. Our children deserve better. Yours faithfully,
JOAN FREEMAN
London, W1
29 January

From Mr R. G. Skilling
Sir: Scots soldiers serving in Northern Ireland are glad their children are educated there or in Scotland and not in England. Why can Scots and Irish educate children when England, apparently, cannot?

Yours,
R. G. SKILLING
Guildford, Surrey

Eminent 'friends' of the criminal

From Mr John Morgan
Sir: Michael Howard accuses the Labour Party of being the criminals' friend because it failed to support Government measures to increase police stop and search powers and remove a suspect's right to silence. These measures specifically contravene the Fourth and Fifth Amendments of the US constitution, which form part of the US Bill of Rights. They are perceived as being fundamental human rights and any American politician seeking to restrict them would be committing political suicide. Does Mr Howard therefore think that all American presidents and Supreme Court justices for the last 200 years, including Thomas Jefferson, Abraham Lincoln and even Ronald Reagan, were "criminals' friends"?

Yours faithfully,
JOHN MORGAN
London, SW18
29 January

Rigorous refunds

From Mr Iain MacLaren
Sir: Can I assure Peter Castle (letter, 29 January) that the Inland Revenue will deal with any repayments due to its clients in the same rigorous manner. I recently received a letter regarding an overpayment of tax which had accrued 1p of repayment interest. The amount overpaid, of 3p, has been allocated to our account, and I am to be contacted about the interest in the near future.

Yours faithfully,
IAIN MACLAREN
Honorary Treasurer
Thames Tradesmen's Rowing Club
London, W4

Post letters to Letters to the Editor, and include a daytime telephone number. (Fax: 071-293 2056; e-mail: letters@independent.co.uk) Letters may be edited for length and clarity.

Man about the House – a zany new sitcom

I didn't watch the first episode of *The House*, the BBC's behind-the-scenes look at what really goes on at the Royal Opera House. I had imagined that it would be about opera, a dead art form I am, sadly, congenitally unable to enjoy.

However, it was clear listening to my friends in the next seven days that I had not missed a programme about opera. I had missed the best thing since *Fawlty Towers*. Now, I am probably alone in the civilised world in not having seen *Fawlty Towers*, but you don't actually have to have seen *Fawlty Towers* to know all about it – you only have to be present at conversations where Basil Fawlty is rerun by those present. Where two or three are gathered together, with the Good Book, then one of them shall say "Don't mention the war!" and another shall say, "Meester Fawlt" in a mock-Spanish accent, and behold everyone shall fall around laughing.

Thus it is that although I have never seen these episodes, I know all about the visit of the health inspector, and the discovery of the dead body, and the one where Basil gets a meal in from a local restaurant, because I have pieced them together from re-enactments by friends. And that is how I recognised that this new



MILES KINGSTON

thing called *The House* was a true descendant of *Fawlty Towers*, because people were talking about it in the same do-you-remember-that-bit-where-that-awful-woman sort of way.

"Oh, God, do you remember that bit where this woman who is playing Carmen at short notice is told they can't give her any free tickets for her family? Oh, God, do you remember that bit where the marketing bloke, or is it the other one, starts throwing phones about in his fury? Oh, God, do you remember that bit where Jeremy Isaacs makes a prat of himself in front of the board...?"

And this was just after the first episode, which gave me time to relax and join in. If it were not a programme about opera but a new sitcom, then obviously it was worth watching. And I watched, and people were right. It was a very funny

programme. The plot was unbelievable, of course. In real life an opera house would not make the crass mistake of hiring the same designer to design two productions opening at about the same time. In real life they wouldn't make their leading dancer do a dress rehearsal on a floor so slippery that she kept falling over, nor would she in real life be called Darcy Russell. In real life they wouldn't spend thousands of pounds just getting two shire horses on stage for a Janacek opera.

"Oh, yes, they would," I was told by a friend who had worked in opera for a year or two before returning to theatre production. "Things like this are always happening. The reason that such things happen is that opera is a crazy world and the people tend to become the same. Opera is fantasy, so their lives become fantasy as well, or at least they come to apply different standards of logic to life. Jeremy Isaacs really, genuinely believed that a fly-on-the-wall documentary would do the Royal Opera House a favour. He told Melvyn Bragg so on Radio 4. He told him it would show the public how they are now balancing the books and getting their money's worth. As the programmes are

showing the exact opposite this suggests either that Isaacs is round the bend or working in a world where normal rules do not apply.

"I'll tell you a story," my friend continued. "I briefly worked with the Belfast Opera for a season. Now, although the soloists are all professional over there, the chorus is composed of amateurs. One of the keenest amateur singers is, or was then, a local judge. Every time he featured in a production, he had to be accompanied by at least two bodyguards wherever he went, including on stage, so the bodyguards also had to put on operatic costume and go out in the chorus with him, to make sure he was not shot at. At all times there were two fully armed security men in the chorus, dressed in 18th-century costume, bristling with guns and unable to sing. Still, the judge's friends, as we called them, did learn the words and mouthed them along with the others..."

"Now, I challenge you to think of any other branch of the performing arts where such a crazy situation could be thought passably normal and where the inmates come to think of their fantasy world as the real world."

I couldn't. Apart from the House of Commons, of course.

An investment in our future

IN BRIEF

ANDREW MARR

For instance, the best Tory response to Labour's problems over selective schools is to try to jemmy apart the inconsistencies in Opposition policy and offer something more coherent.

it's over, complain about the dangerous cynicism infecting our democracy, then we should treat their protestations with contempt. That would be one act of collective hypocrisy too far.

PADDY ASHDOWN

Education is a
one-chance event
for too many

The writer is leader of the Liberian Democrats.

In the classroom, we should be using information technol-

Glare that marks for life

BRYAN APPEYARD

ity of opacity.

Sara Keays wants publicity for her daughter; the High Court maintains it would not be in the child's interest Photograph: Tom Pistor

The problem is that claims for the benefits of publicity can become very tenuous indeed. Obviously neither democracy nor human well-being is really served by the mad confessions on these television shows. But what about those cases on the evening news bulletins where police parade parents of missing children, often in tears, before the media?

It is the social role that parks play in urban communities that is perhaps their most important contemporary function – as a realm of freedom in an otherwise expensive and regulated world. In this there are significant differences from the era in which the great Victorian town parks were developed. They were established to provide an escape from disease, over-

It is this difference between then and now that raises potential problems for the best use of lottery money. The lottery guidelines naturally emphasise heritage, conservation and restoration themes; and because it is capital money, there is a consequent emphasis on landscapes, artefacts, the refurbishment of original buildings, appropriate Victorian fixtures and fittings and so on. But the dangers of it becoming a "new park-landes fund" must be avoided. There

Take good care in the park

ANOTHER VIEW

Ken Worpole

is already ample evidence that large sums of money spent on restoring original buildings without a programme of community consultation, development and involvement, will end in tears, as restored features are vandalised or burnt out again. Applicants should apply some of their hardest thinking to the questions

of safety and security. Parks are part of a continuum of contested public spaces in British towns and cities today, and problems of safety are simply addressed by the solution: more CCTV cameras, please. This will not do, even though at least one park in the North-east now has CCTV cameras and floodlights operating a dawn-to-dusk security regime among the play equipment and floral borders.

Elsewhere, parks managers are attempting to "crowd out crime" through events, encouraging more people back into parks, providing pro-

To be fair, the "heritage" guidelines display a sensitivity to these pressing social issues. But they also need to consider the unique role that parks now play as "public goods" in debates about urban environmental sustainability, bringing together ecological, social and cultural concerns in the one place. Will lottery funding not only allow parks to respect the past but also, and perhaps more importantly, anticipate a more sustainable future?

The writer was one of the authors of the Comedia/Demos report 'Park Life: urban parks and social renewal'.

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Granada stalked Pearson with offer worth £5bn

MATHEW HORSMAN
Media Editor

Granada spent seven months last year stalking Pearson, the media and financial services company, but abandoned a potential bid when it emerged that the Cowdrey family would not accept an offer of up to £9 a share.

It is believed that Granada, which last week won a two-month battle for Forte, the hotels and restaurants concern, was preparing a break-up bid to secure Pearson's range of media assets, which include Thames Television, the independent television production company, and Grundy Worldwide, makers of the soap, *Neighbours*.

At £9 a share, Pearson would be worth just over £5bn. The Cowdrey family, with Lazard Brothers, the merchant bank controlled by Pearson, whose chairman is Lord Blakenham, own 21 per cent of the group making a hostile bid hard to win. Neither Granada nor Pearson

would comment. A Granada source said the management team was tied up in preparations for the takeover of Forte, and deep in negotiations to sell parts of the hotels empire.

Meanwhile, Marriot, the US hotels group mentioned as a possible buyer for some of the Forte properties, yesterday said it had turned down an offer from Granada for an asset swap involving Forte's Meridien and Exclusive chains.

Granada's interest in Pearson has long been rumoured in the market. But analysts said most potential bidders would be put off by the family stake.

"This is a very difficult company to take over, as others have already discovered," a Pearson insider said. "Even Rupert Murdoch couldn't do it with 20 per cent in his pocket."

Mr Murdoch made a run at the company in the late 1980s, eventually building a 20 per cent stake he later sold at a profit.

Analysts said a bid would have made sense for Granada, but only at a maximum price of

£9, which Henderson Crosthwaite has calculated to be the maximum break-up value of the group. Pearson shares closed at 650p last night, toward the high end of analysts' trading ranges. It is believed the share price already includes a marginal bid premium.

Granada's interest came as little surprise to media analysts, who pointed out that Pearson has long had a reputation for sleepy management, and has only recently moved to reduce back-office costs following a two-year strategic shift from luxury goods and services to media.

"Some of what they are doing now is clearly aimed at heading off a potential bid," said one leading media analyst.

There has also been speculation that Pearson and MAI, the financial services and media group headed by Lord Hollick, could merge their financial operations, in a move to pre-empt any break-up bid of either company. The two are partners in the new Channel 5 service. Pearson called in analysts in



Keeping it in the family: Lord Blakenham, chairman of Pearson, which analysts say could present a difficult takeover target. Photograph: Herbie Knott

December to paint a downbeat picture of current trading. City houses consequently lowered their estimates for 1995 to about £240m, not counting a one-off gain of £466m from the sale of Pearson's 14 per cent

stake in BSkyB, the satellite broadcaster. It also announced it would incur £32m in additional restructuring costs, following changes to back-office systems.

"They spent a fortune on

management consultants to cut a few costs," said one analyst. "Most companies would have taken these charges long ago."

Analysts have been generally supportive of management changes, announced last week.

The company's three main lines of business will report to three senior executives. David Bell, former chief executive of the Financial Times Group, will be responsible for information. Greg Dyke, former head of LWT and

chief executive of Pearson Television, will have primary responsibility at board level for films and entertainment. David Veit, formerly assistant managing director, will handle other entertainment ventures.

Westdeutsche Landesbank buys Panmure

JOHN EISENHAMMER
Financial Editor

Westdeutsche Landesbank yesterday became the latest German giant to make an important investment banking push in the City, with the purchase of the broker Panmure Gordon from NationsBank of the US. The purchase price was not disclosed, but is believed to be around £35m.

Panmure Gordon has been bought to plug the equities gap, which is the main weakness in WestLB's plans to build up a global investment banking presence through its London-based unit, West Merchant Bank.

"This is an important building block on which we hope to expand our European equities activities as well as looking to increasing in emerging markets," said Patrick Macdonald, chief executive of West Merchant Bank.

Deutsche Bank, the biggest of the German banks, was the first to target London as the base for its ambitions to become one of the world's leading investment banks by the end of the decade, centered on Deutsche Morgan Grenfell. Over the past year it has been hiring aggressively, notably expanding its securities business. Dresdner, Germany's number two, quickly followed suit, buying Kleinwort Benson last summer for £11bn.

WestLB, a public sector bank with total assets of £280bn, made plain last year its plans to

build its global business around West Merchant Bank in London.

It first approached NationsBank last summer. "They convinced us that Panmure Gordon's capabilities fit more into their long-term strategy than into our own. There is a European strategy, ours is much more North American," said Richard Roddey, head of NationsBank Europe.

There was speculation last night that NationsBank, which is the third-largest in the US, was getting out of Panmure because the broking house complicated a separate acquisition plan that was more in line with its strategy. Mr Roddey said the disposal of Panmure "has no implications for Gartmore," the UK fund manager which has been put up for sale by its French parent, Banque Indosuez, and which has a joint venture agreement with NationsBank. "We will continue to build our capital markets business in London," Mr Roddey said.

West Merchant Bank is about to start up its derivatives business with the team it hired last October in London and New York from Deutsche Morgan Grenfell.

It is also expected to announce shortly a senior individual hiring in the fixed-income business. The main priority with Panmure Gordon was to build up its European equities capability, and in particular business between Britain and Germany.

Persimmon's agreement on Ideal under bid threat

MAGNUS GRIMOND

An auction for Trafalgar House's Ideal Homes subsidiary could begin in the next few days despite last night's agreement by the house-builder Persimmon to pay £170m for the business.

The deal, to be partially paid for through a £91m cash call, tops the £160m which the rival Beazer Homes is thought to have been prepared to bid. But Beazer said yesterday it was "evaluating the situation".

Its decision could turn on the value of tax losses being sold with Ideal. Neither Persimmon nor Trafalgar would give any indication as to their size, but sources suggest that Beazer

might be prepared to add them to its original bid, thought to have been around £160m. John Watkins, a Trafalgar director, said last night: "If Beazer want to make an improved offer they can do that and if they come up with something sufficiently interesting, we will talk to them. We have a duty to our shareholders to do that."

Mr Watkins admitted that Beazer had not been included in the formal bid process for Ideal, which began after Trafalgar's preliminary results were published on 15 December. A number of parties, not including Beazer, were invited to

make a formal offer, he said. Beazer subsequently lodged an expression of interest, but the Persimmon offer was preferred on grounds of price, the commercial terms, the degree of readiness to complete and the shorter timetable, he claimed.

Persimmon will receive a £3m compensation fee if it fails to reach agreement on the offer. It is calling on shareholders for £91m in a one-for-two rights issue to part-finance the Ideal acquisition, its first, but the market generally reacted well to the deal. The shares fell just 4p to 191p yesterday.

Duncan Davidson said the rationale for the acquisition was that it would be earnings-enhancing from the start, even before taking account of the tax losses and any cost cuts. The plan was to close six of the combined group's 21 offices, but Mr Davidson would give no indication as to possible redundancies or other cuts. However, the typical small office which is under threat of closure is thought to employ around 15 people, pointing to the loss of around 90 jobs. Ideal also has a head office at Woking, very close to another site at Weybridge in the south of England, which could be combined.

The enlarged group will sell around 6,500 houses a year, ranking after Wimpey, Beazer and Barrett Homes. One of the key reasons for the deal was Ideal's land bank. Mr Davidson said. The group will own 23,700 plots or around four years' usage, at an average cost of around £16,200 each.

Persimmon estimated profits would dip to £22.5m for the year to last December, from £25.2m before, after a difficult selling period between April and September. It is proposing to hold the final dividend at 6.5p, to make a maintained total of 9.5p.



Willing to stay on tap: Ian Byatt, the frequently controversial and interventionist water regulator, believes that many challenges still lie ahead

Byatt asks for another term to tackle change

MARY FAGAN
Industrial Correspondent

Ian Byatt, the water industry regulator, has asked to stay in the job after his present contract expires in June because of the continuing challenges in the sector. He has been at Ofwat since September 1989, just before the industry was privatised, and was widely expected to step down.

Mr Byatt believes that he should continue because of fundamental changes facing the industry, including the trend towards takeovers and mergers and the wider debate over the future of regulation as a whole.

Water has been at the centre of controversy since the government self-off because of bills soaring well above inflation, driven partly by European rules on

quality and the environment. Mr Byatt was at the forefront of the move to challenge the Government to assess the need for quality improvements and weigh them against the overall benefits for customers. He also urged water companies to find out what customers felt it was worth paying for and reflect this in investment plans.

The watchdog has also shocked some in the sector because of his interventionist stance on takeovers. He has insisted that mergers between water companies should not go ahead without an offsetting advantage such as sharp price cuts for consumers. In the case of mergers with electricity firms, he has said he will look to ensuring core water operations within an enlarged group have a separate stock market listing.

The industry has also attracted criticism over high dividends and boardroom pay. The row reached a crescendo over falling service standards during and following last year's drought.

Ofwat does not intervene in boardroom pay, but Mr Byatt has asked companies that had supply problems to make the necessary investment to prevent the situation recurring.

Ofwat confirmed that Mr Byatt "is prepared to stay in office" for another term. But a spokeswoman said that the decision was a matter for the Secretary of State for the Environment.

It is thought that although Mr Byatt is not without critics, he is regarded in Whitehall as a relatively sensible choice among the ranks of the regulators.

Boots expected to dispose of Childrens World

NIGEL COPE

Boots shares rose 12p to 619p yesterday on expectations that the group is set to sell its Childrens World business, which has not made a profit since it started in 1987.

Storehouse, which owns Mothercare, is tipped as the most likely buyer of the chain, which is expected to fetch around £40m-£50m.

Boots declined to comment on the possible sale yesterday. Storehouse also declined to be drawn on details, but a spokesman said Mothercare's first out-of-town store, which opened in Fosse Park, Leicestershire, last year, had been a success. All 52 branches of Childrens World are out-of-town.

Boots has been under pressure to take the axe to some of

its under-performing business, which include the DIY chain Do It All as well as Fads and Home-style.

Boots started Childrens World in 1987, hoping to capitalise on a demand for hassle-free shopping for children that involved an element of fun. The stores sell toys, clothes and nursery equipment and feature play areas which include better-kept-kelters.

However, the concept struggled to take off and the chain has never made a profit. Last year losses increased to £1.9m on sales of £50m. Christmas trading was also poor, with the company blaming aggressive price competition on toys. The sale would be welcomed in the City, which feels the success of Boots the Chemist is being held back by losses in other areas.

Tony Shire, retail analyst at BZW, said: "There is logic to the deal. It would give more scale to Mothercare and it would have greater buying power than Boots. Childrens World is a bit of an irrelevance to Boots and if they sold it, it would show a determination to get rid of some of the other under-performing businesses."

Storehouse would be expected to change the store

names to Mothercare, which already has more than 260 branches, and derive other benefits from economies of scale.

Mothercare has been a star performer for Storehouse. Its profits jumped by 120 per cent to £9.3m in the six months to October. However, Christmas trading was disappointing, with management blaming a difficult market. Storehouse shares closed down 1p at 293p.

Stagecoach bids £40m for GMBS

CHRISTIAN WOLMAR
Transport Correspondent

More than 2,000 Manchester bus workers found themselves £9,000 better off yesterday when Stagecoach, Britain's biggest bus company, offered £40.7m for the south Manchester bus operation, GMBS.

The valuation of around £50m, taking into account GMBS's debts of around £10m, is more than double the £20m offered by Stagecoach two years ago when Manchester's two bus companies were privatised. The company was sold to a management-employee buy out team for £25m - and staff who took 1,000 £1 shares will now get £10 for each share.

Taking into account Stagecoach's recently announced acquisitions of Cambus, Devon General and one of the first rail franchises, South West Trains, turnover for the company will reach around £770m this year. The company now has 17 per cent of the country's bus market, compared with 4 per cent at its flotation in 1993.

GMBS operates most of the local bus services in south Man-

chester and has around 750 buses and coaches. It reported an operating profit of £4.9m last year and profit before tax of £2.9m on a turnover of £51.2m last year.

Stagecoach is confident that the bid, unlike many of its others, will not be referred to the Monopolies and Mergers Commission. Employees will be offered 577 new Stagecoach ordinary shares for every 200 GMBS shares they hold.

Since 49 per cent of the company is in the hands of the venture capitalists houses which are expected to recoup their investment and profit, Stagecoach is seeking financing of £19.9m by offering 6m shares which are being placed by Noble Grossart and UBS at 331p per share.

Stagecoach say that the main purpose of the placing is to cut borrowings and contribute to acquisition costs. The placing is not conditional on the successful completion of the purchase of GMBS. Derek Scott, finance director of Stagecoach, said: "It seems we considerably underbid when we first tried to acquire GMBS."

STOCK MARKETS									
Index	Close	Day's change	Change (%)	1995/96 High	1995/96 Low	Yield (%)	Dividend	Dividend Yield (%)	Dividend Payout (%)
FT-SE 100	3734.60	+0.10	+0.0	3758.20	2954.20	3.83			
FTSE 250	4089.10	+3.50	+0.1	4089.10	3300.90	3.58			
FTSE 350	1854.90	+0.30	+0.0	1863.80	1482.40	3.78			
FT Small Cap	2013.75	+1.04	+0.1	2013.75	1678.61	3.11			
FT All Share	1829.69	+0.34	+0.0	1837.17	1469.23	3.73			
New York	5280.08	+8.31	+0.2	5271.75	3832.08	2.28			
Tokyo	20589.20	-74.64	-0.4	20689.03	14485.41	0.751			
Hong Kong	11068.97	-82.90	-0.5	11111.87	6967.93	3.341			
Frankfurt	2446.05	+13.12	+0.5	2446.05	1910.98	1.831			

Source: FT Information

INTEREST RATES									
Short sterling*		UK medium gilt*		US long bond		Money Market Rates		Bond Yields*	
Rate	1 Month	1 Year	3 Month	5 Year	10 Year	Rate	1 Month	Rate	1 Year
UK	6.18	5.08	7.47	8.80	7.64	UK	6.18	5.08	7.64
US	5.38	5.19	6.67	7.65	6.07	US	5.38	5.19	6.07
Japan	0.50	0.59	2.94	4.68	-	Japan	0.50	0.59	-
Germany	3.47	3.28	5.94	7.44	6.74	Germany	3.47	3.28	6.74

CURRENCIES

£/\$

Day	Rate
Tuesday	1.50
Wednesday	1.51
Thursday	1.50
Friday	1.49

£/DM

Day	Rate
Tuesday	2.27
Wednesday	2.28
Thursday	2.27
Friday	2.17

£/Y

Day	Rate
Tuesday	105
Wednesday	106
Thursday	105
Friday	105

Only two-way exchange rates and DM/£D rates at 1200 hours

Pound

	Yesterday	Change	Year Ago
\$ (London)	1.5079	+0.0008	1.9908
£ (New York)	1.5070	+0.35c	1.595
DM (London)	2.2405	-0.07c	2.4019
¥ (London)	160.74	+0.41s	155.82
£ Index	83.2	+0.1	88.6

Dollar

	Yesterday	Change	Year Ago
£ (London)	0.6532	-0.21	0.829
£ (New York)	0.6534	-0.15	0.827
DM (London)	1.4558	-0.53c	1.5098
¥ (London)	106.60	-0.075s	98.585
£ Index	95.6	-0.2	95.3

OTHER INDICATORS

	Yesterday	Day's chg	Year Ago		Yesterday	Latest Yr Ago	Month Figs
Oil Brent \$	19.20	-0.29	16.49	RPI	150.7	+3.20pc	2.9 16 Feb
Gold \$	405.20	+0.6	375.5	GDP	105.9	1.8pc	4.2 22 Feb
Gold £	269.38	+0.48	236.53	Base Rates	—	8.25pc	6.75 —

cluster bus operation, GMBs. The valuation of around £50m, taking into account GMB's debts of around £10m, is more than double the £20m offered by Stagecoach two years ago when Manchester's two bus companies were privatised. The company was sold to a management-employee buy out team for £25m - and staff who took 1,000 £1 shares will now get £10 for each share.

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GMBs operates most of the

Monopolies and Mergers Commission. Employees will be offered 577 new Stagecoach ordinary shares for every 20 GMBs shares they hold.

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COMMENT

'If you haven't already made your pile out of this admittedly seductive metal, don't bother. You've missed the boat'

The rush is over for the ever-ready gold bugs

Say what you will about gold bugs, one thing is certain: you can't stamp them out. The sudden surge in the gold price this year to a five-year high has brought them out of the woodwork again with a vengeance. For inflation hawks, a soaring gold price is a sign of trouble ahead. For commodity buffs, it is a sign of future gains to come. In reality, the rise of over \$20 in January to breach the \$400 barrier is likely to be a speculative spike. If you haven't already made your pile out of this admittedly seductive metal, don't bother. You've missed the boat.

The main physical markets that move the gold price nowadays are in the developing world, particularly the Far East, where consumers buy gold in high carat jewellery as a hedge against political uncertainty and high inflation. According to the World Gold Council, demand grew sharply in 1995, hitting an all-time high in the developing world in the third quarter.

But then there are statistics and statistics. According to Andy Smith, precious metals analyst at UBS, demand fell sharply in key Far Eastern markets between the first and second halves of 1995. Meanwhile, South Africa stepped up its sales in a big way. He calculates that the resulting shortfall in demand over supply was as high as 500 tonnes, or a sixth of total annual demand.

Even if the fundamentals of physical demand and supply were more promising, the overall economic background casts a long shadow over those hoping for a return

to the glory days. Sixteen years ago, the price of gold peaked at an all-time high of \$850 an ounce. But that was after the second oil price shock and accompanying surge in global inflation. The disinflationary 1980s could hardly be more different from the inflationary 1970s. Then, inflation surprised by surpassing expectations, now it surprises by coming in below expectations.

With real interest rates uncomfortably high – rather than negative as they were in the 1970s – there is no point in holding gold other than the hope of piggy-backing off the speculative fun of the big American hedge funds. A further problem is posed by the massive overhang of central bank holdings – worth 12 times annual gold purchases. Fortunately for gold bugs, central bankers are a cautious lot, as disinclined to dump their hoard on the open market as they are to add to it. Even so, these holdings amount to a powerful buffer to the gold price the moment it moves much above \$400. Anyone hoping for a continued gold rush is looking for fool's gold.

Hot air does not mean Branson has won

Hot air alone, even when it comes all the way from Marrakesh, will not be enough to win Richard Branson the franchise to build and operate the high-speed Channel Tunnel rail link, the choicest and biggest project so

far to emerge from the Government's all-singing, all-dancing Private Finance Initiative. That doesn't stop him hoping, however. As Mr Branson ascends into the stratosphere in his round-the-world balloon, we are being subjected to a customary blast of the stuff.

Yes, we've won, he announced in the weekend press on behalf of the Virgin consortium. London & Continental Railways, and you never know, he may be right. The problem is, he usually isn't in cases like this. There were similar claims ahead of both the National Lottery and Channel 5 franchises. Poor Mr Branson. He is the perpetual bridesmaid, bidding for everything half way decent that falls from the Government's lap, but somehow or other never making it to the alter. Is he finally going to get there this time?

Certainly he is in with a better chance than ever before, if for no other reason than there are only two bidders left in the race. But he is not yet there, according to the Department of Transport yesterday. Eurotunnel, the rival consortium (BICC, Trafalgar House, Seaboard, HSBC and NatWest), also believes it has won. The truth of the matter is that no decision has yet been taken, though one is imminent. The Virgin consortium has got marketing know-how and some experience of operational transport systems going for it, but its financing looks on the dodgy side.

As for the claim that London & Continental will be leapfrogging its way into the FTSE 100 with a project-funding stock mar-

ket float, anyone with Eurotunnel tucked away for a rainy day at £10 a share knows it will not. Coming from a man who when he took Virgin private eight years ago swore blind he would never again have anything to do with the City and the stock market, it is also a bit rich.

But he may win, who knows? One thing is for sure, however. It won't be done on the back of a swashbuckling press campaign. With anything between £1bn and £2bn of public money at stake, ministers are not going to allow themselves to be swung by sentiment alone. Eurotunnel also has its drawbacks, not least that it is the contractor-dominated consortium of the type that originally gave birth to Eurotunnel. But provided it comes up with a credible bid involving the higher transfer of risk from public to private sector and the lower level of public subsidy, it will beat Mr Branson, whatever his charms.

German bankers can't stay away from the City

These German bankers just cannot keep their fingers off London. Yesterday's purchase of Panmure Gordon, the stockbroker firm, by Westdeutsche Landesbank may be modest when set against the vast sums Deutsche and Dresdner are pouring into the City to set up bases from which to pursue their global investment banking ambitions. But it is very definitely in the same mould,

underlining London's pre-eminent role as the financial centre of Europe.

Notwithstanding the tribulations of the Stock Exchange, the fact is that as far as international investment banking is concerned, the City is thriving. London is still in effect the only place in Europe with a dynamic deal-making financial culture, and despite the advances made by rival Continental bourses, a proper feel for equity markets. This is the Achilles heel of German bankers, who still only feel at home with debt. Panmure Gordon is very much a second division broker, and largely UK focused. But its size fits in neatly with WestLB's more targeted style of expansion, and should provide a solid base for a European-wide equities strategy.

As the third largest German bank, WestLB does not suffer from any shortage of cash. But unlike Deutsche and Dresdner it does not see itself as punching with the Wall Street giants. It wants to build a more specialised international investment banking business.

For Panmure this should be good news, providing the capital fire-power for expansion. The financial clout was also there with Nationsbank, the previous owner, but the sense of strategic development was not. The price involved, believed to be around £35m, is peanuts for a business of Nationsbank's size, but it can now concentrate on building up its preferred capital markets business in London.

Rates challenge: Motor insurer trawls for funds with launch of phone-based account as big banks report a sharp decline in lending

Direct Line moves into instant access

NIC CICCUTTI

Direct Line, the UK's largest motor insurer, yesterday announced a further expansion of its growing financial services operation by launching a telephone-based instant access account.

The insurer's initiative is aimed at attracting the funds needed to underpin its increasingly successful mortgage-lending operation. It will also help to hold back the relentless downward spiral in the amount paid to savers caused by the three successive waves of mortgage rate reductions.

Direct Line account-holders will be offered 4.6 per cent before tax on savings up to £10,000, rising to 6 per cent for deposits above £25,000. The company claimed yesterday its rates beat those on offer from most other large banks or building societies.

In a further twist designed to capture accounts from entire family or groups of friends, the insurer offered them the chance to pool savings so they can receive interest at the higher rate. Up to six people will be al-

lowed to pool accounts, with interest on each deposit being calculated separately. Individual account-holders will be able to segment their savings into separate pots, such as holidays or home improvements.

Jim Spowart, managing director of Direct Line Financial Services, said: "Our commitment is to give customers the best value deal on all our products, including savings rates. "Our low-cost operation allows us to provide a deal which will be difficult for banks and building societies to emulate."

Direct Line's move reflects its runaway success since being founded by Peter Wood, its chief executive, in 1985.

The company has since expanded from its motor insurance base, which has 1.9 million customers, into home and contents cover, term assurance and personal loans.

In the process, Mr Wood has become one of the best-paid chief executives, earning bonuses of up to £18m a year until Royal Bank of Scotland, which part-owns Direct Line, bought out his bonus scheme for £24m in 1993.

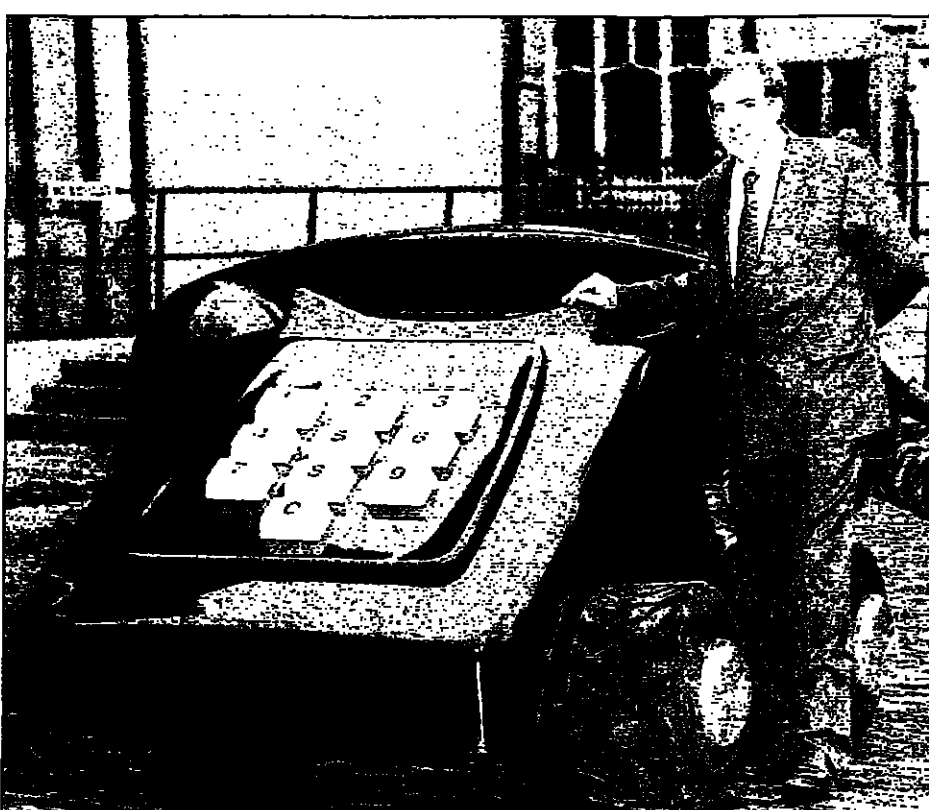
The firm's mortgage arm, launched 10 months ago, has lent £210m, financed until now by borrowing from money markets. Direct Line's venture into banking mirrors that of building societies, which finance much of their lending from the savings they attract.

A Direct Line spokeswoman said yesterday that it aimed to enter into a head-to-head contest with banks and building societies for their accounts by offering better rates than rivals.

However, according to Moneyfacts, a statistical service giving details of the best savings rates, Fortman Building Society's instant access account yesterday offered 4.8 per cent gross on savings above £100, against a minimum savings level of £1,000 with Direct Line.

Teachers' Building Society's Bullion Share account offers 5.55 per cent on deposits above £500, while Co-operative Bank's Pathfinder account pays 5.37 per cent on deposits above £5,000.

Direct Line customers will be able to move funds in and out of their accounts by calling the company between 8am and 8pm Monday to Friday.



Groundbreaker: Peter Wood, who earned £18m-a-year bonuses from Direct Line

Homeowners in arrears decline

The number of homeowners in arrears or facing repossession fell significantly in 1995 in the wake of mortgage rate cuts and a drop in unemployment rates, a building society claimed yesterday, writes Nic Ciccutti.

Birmingham Midshires, a top-10 society, said its own calculations suggested repossession would remain stable at about 50,000 in December 1995, compared with the same time a year earlier.

The number of people in arrears for 12 months, usually regarded as those most vulnerable to repossession orders from lenders, will have fallen from 117,000 a year ago to fewer than 90,000 last month.

Those in arrears on their mortgages between six and 12 months are also expected to decline, from 133,700 to around 108,000.

The society's arrears and repossession estimates, issued each year, come days before official statistics from the Council of Mortgage Lenders, the industry's trade body.

A Midlands spokesman said yesterday: "The drop in unemployment over the past year has helped. Cuts in interest rates have also made it easier for people paying off their debts."

"Many people are also saying the most important thing is their home and if the difference means giving up a holiday abroad to pay off their debts, that's what they do."

Woodwick, Halifax and Alliance & Leicester building societies confirmed yesterday that there had been a slight improvement in arrears problems with repossession numbers remaining broadly stable.

The arrears prediction came as Britain's big banks recorded a dismal month for home loans, with net mortgage lending down from £686m in November to £554m last month. New approvals were down 34 per cent on the previous month, from 29,291 to 19,241 in December.

The drop in net lending is even more significant when compared with December last year, when it stood at £647m.

£100m private finance fund established

PETER RODGERS
Business Editor

Prisons, hospitals and roads are among the possible investments for a new £100m City fund announced yesterday.

Innisfree PFI Fund said yesterday that it hoped to participate in up to £4bn of projects under the Government's private finance initiative. It claimed to be the first investment vehicle set up specifically to invest in PFI projects.

The fund has raised £50m initial capital from two leading investment institutions, Hermes Investment Management, which is acting as sponsor, and AMP Asset Management. The plan is to raise the same again from other institutions by April.

Roger Brooke, chairman of Innisfree, said the new fund could eventually participate in £3bn to £4bn of the £20bn of projects the Government has said could be included in the PFI.

Innisfree has drawn up a list of 45 PFI projects worth almost £4bn which it describes as potential investment opportunities. They include two £70m prisons, at Bridgend and Fazakerley, the £250m Civil Aviation air traffic control centre, the £100m Edinburgh Royal Infirmary project, the £190m A1-M1 link road and the £200m refurbishment of the Treasury building in Whitehall.

Mr Brooke, who is also chairman of the management buyout firm Candover, said the plan was to invest up to 25 per cent in the equity of consortia set up with construction and other specialist companies involved in PFI work. Because the consortia tended to be highly geared, with most of the finance from bank loans rather than equity, the initial £50m could generate £1.5-£2bn in project value, and twice that if the fund reaches its £100m target, he said.

The Treasury has been heavily criticised for a slow start to the whole PFI programme, and one of the many factors blamed for this is a shortage of capital among construction and civil engineering companies to invest in new projects. The Treasury said it welcomed the new fund.

Alistair Ross-Groobey, head of Hermes, is a member of the Treasury's private finance panel, which advises the Government on the PFI. Matthew Webber, an executive director of Innisfree, was seconded to the private finance panel last year from Kleinwort Benson.

David Metter, chief executive of Innisfree, said investments would be in projects worth between £25m and £400m.

He said PFI projects for the most part relied on well understood technologies and construction methods where risks were readily identifiable.

Ofgas threatens to seek backdated price cuts

MARY FAGAN
Industrial Correspondent

Clare Spottiswoode, the gas industry regulator, is calling for backdated price cuts for consumers should competition in the domestic market be delayed.

The move by Ms Spottiswoode comes as British Gas continues to insist that competition, due to start for 500,000 households in the South-west on 1 April, should be postponed.

Ms Spottiswoode believes that in the event of a delay, consumers who ultimately switch to lower-cost suppliers should have those prices backdated to a meter reading taken on 1

April. She argues that British Gas and its rivals, which include offshore companies and electricity firms, should sort out the financial implications and that consumers should not be penalised.

Rivals such as Amerasia Hess plan to undercut the company by up to 15 per cent and so far British Gas has failed to say how it will respond. There are fears in the company that others will come in and cherry-pick the most lucrative users, leaving it with those who are least economical to supply.

The moves by Ofgas to back-date price reductions are at an early stage and are the latest

twist in the long-running battle to have competition introduced on time. British Gas has warned that there could be chaos because of insufficient testing of computer and billing systems. It is thought that the company angered Ms Spottiswoode last week by agreeing to a statement in favour of the 1 April kick-off and then continuing to complain that delays are necessary.

A spokesman for TransCo, British Gas' pipeline arm, said 1 June was the earliest sensible date for competition to begin. Critics of the company say this could be the first of many efforts to put off the opening of the market in the hope that it may

never happen. But Harry Moulson, TransCo's managing director, argues that postponement is the only way to ensure things are "hassle-free".

The row over the domestic market is one of a series of battles which British Gas faces with the regulator. Ms Spottiswoode is expected to intervene soon to block imminent increases in charges for other companies that need to use British Gas's pipes. At the same time, the watchdog is consulting on fundamental changes in the way the company is regulated as part of a review of British Gas price controls to be completed by the middle of the year. Separately,

large industrial users are calling on Ms Spottiswoode's office to investigate the company's policy of cutting supplies at times of high demand, including during the cold snap.

Many large users have contracts at low prices on condition that they can be interrupted when demand from other consumers soars.

Meanwhile, Moody's, the credit rating agency, has placed British Gas's debt under review for a possible downgrade. Moody's said the review would focus on a number of factors, including the company's on-going negotiations with producers.



Clare Spottiswoode: Turns up competitive heat

Daiwa makes its US withdrawal

JOHN EISENHAMMER
Financial Editor

Daiwa Bank, hit by a massive bond trading scandal last year in New York, is to pull out of the US by Thursday, handing over its operations to Sumitomo Bank. Daiwa said Sumitomo Bank would pay \$3.3bn (£2.2bn) for the loans and transactions and an additional \$65m for rights to business at 15 of Daiwa's US branches and a Daiwa trust bank unit in New York. Daiwa had a total of \$4.3bn in loans and other transactions in the US. The outstanding \$1bn would be transferred to Daiwa's parent body in Japan.

In November, the US au-

thorities announced a 24-count criminal indictment against Daiwa, covering charges of conspiracy to defraud the Federal Reserve Bank, mail and wire fraud and falsifying bank records, and ordered it to close its US operations by 2 February.

Senior Daiwa officials are allegedly implicated in shifting hundreds of millions of dollars around the world to hide the \$1.1bn losses run up by the bond trader Toshiohide Iguchi. Daiwa has vowed to fight the charges. Sumitomo said last November that it would help Daiwa to close down its US operations, and the presidents of the two banks said they would consider a merger in the future.

IN BRIEF

Capel and Montagu merged

James Capel and Samuel Montagu, two of the best-known names in UK financial markets, are to be merged into a new entity, HSBC Investment Banking. Announcing the biggest shake-up of its investment banking operations since it bought the stockbroker firm James Capel in 1984, HSBC said the move would eliminate confusion and highlight the powerful parent. HSBC said it would drop the James Capel and Samuel Montagu names for Continental European business, opting instead for HSBC Investment Banking. Capel and Montagu will be preserved for business within the UK but will be prefixed with HSBC. Keith Harris, the former head of Montagu, will become the chief executive of HSBC Investment Bank.

MCI links up with Microsoft

MCI and Microsoft yesterday unveiled a joint venture to supply on-line and Internet services, the companies said. Initially, the deal will permit MCI to distribute the Microsoft Network over its telephone network. The companies also intend to develop additional on-line services. As a result of the venture, MCI is reducing its stake in a competing on-line service jointly run by News Corp, Rupert Murdoch's media holding company. MCI said it would recruit additional partners to join in.

Welsh Water wins 75% of Swalec

Welsh Water has received acceptance of its offer for South Wales Electricity in respect of 69.5 million Swalec shares or about 74.8 per cent of the company. Welsh now owns or has acceptances representing almost 88 per cent of Swalec and has declared the offer unconditional except for the planned listing of the new Welsh Water ordinary shares and the new Welsh Water preference shares.

Quality Software gets softer

Shares in Quality Software Products, the accounting software supplier, just 30 per cent of their value yesterday when the company warned that its current year's profits would not meet market expectations. The company blamed the warning on a delay in the signing of some large contracts and a staff re-organisation. The shares crashed 218p to 490p.

Output leap eases Japanese recession fears

DIANE COYLE
Economics Correspondent

Fears of continuing recession in Japan receded yesterday after separate figures showed both an unexpected jump in industrial output last month and a planned rise in investment spending by Japanese firms in the year to March.

Evidence of a long-awaited

turnaround in the world's second-biggest economy took share prices higher, with the Nikkei 225 index ending nearly 75 points up at 20,589.20. Economists said signs of a pick-up would help to ease fears that the industrial world as a whole was heading for recession.

Tomio Tsutsumi, the vice-minister for trade and industry, said: "The degree of certainty

concerning Japan's economic recovery has increased.

Industrial output climbed 0.8 per cent in December, an increase well above expectations. It was the third monthly rise in a row, and manufacturers said they expected even bigger increases in January and February.

Public works projects contributed to the increase in output last month. So did output

of semiconductors, mobile phones and kerosene heaters, due to cold weather.

The Economic Planning Agency said separately that investment spending by Japanese firms was expected to grow 4 per cent in the year to March and another 2.4 per cent the following quarter. This compared with a rise of less than 1 per cent in the year to December.

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THE INVESTMENT COLUMN

Edited by Magnus Grimond

The moment of truth for insurers

The UK composites are less than a month away from their reporting season and all the indications are that results for 1995 will beat what was already a bumper year in 1994. The current icy temperatures notwithstanding, recent benevolent weather conditions and lower claims mean that profits will again be led by the domestic market for non-life business. But, as ever, share prices are already looking ahead to the downturn and the sector has only barely outpaced the rest of the market over the past year.

In the past, insurance companies have vied with banks as the Neanderthals of British industry. Typically, a downswing in the insurance cycle saw underwriting losses soar as rates tumbled, a situation which often combined with a decline in investment returns to put a double squeeze on the composites' profits. Only their spread of income, principally from life insurance, has helped to support profits during these lean times.

But with 1995 expected to mark a peak year of profitability, the optimists believe that the current cycle could be different from every other in recent experience. There are two main factors said to have had a profound effect.

Firstly, in the key UK market – which our table shows remains an area of critical importance to the big five insurers – the big losses of the early part of the decade are unlikely to be repeated. The argument runs that previous problems resulted from a rare combination of unusual subsidence claims after very dry weather and the mortgage indemnity crisis created by the housing market collapse of the late 1980s. Apart from those circumstances being unlikely to be repeated, the insurance companies have moved to correct some poor rating practices. As anyone with a mortgage will know, buildings insurance rates are highly individualised, being based on the claims experience of particular streets, and much higher than in the past.

This new level of sophistication is the second reason the bulls believe insurers will have a better recession than in the past. Companies can react more quickly and precisely to factors affecting pricing.

The problem with these arguments is that, like generals, insurance companies tend to base their future strategy on the last war and have almost certainly failed to anticipate the next disaster. But for those brave enough to believe in the principle that past ex-

perience is no guide to the future, Nikko Europe is suggesting that General Accident looks attractive for the quality of its UK business, while Sun Alliance is a good defensive choice, bolstered by its greater ability to cut costs.

Atal weighs down Bullough

If Trevor Bond, Bullough's chief executive, has nightmares they are probably based in France and feature office furniture. The diversified engineering group's French office furniture division, Atal, has been a persistent headache and after three restructures in five years the jury is still out on whether the company can be put right.

Atal caused Bullough to issue a profit warning in September and wrecked the decent performance elsewhere in refrigeration, heating and engineering revealed yesterday. Group profits for the year to March were down 17 per cent to £14.5m, with a further £2.2m of provisions to cover the latest round of re-structuring.

Atal's problems have been caused by low growth, a freeze on government spending and a rise in raw material prices. Production problems in the factories have added to the difficulties.

Bullough has wielded the big stick, but admits that if the company cannot be turned around it may have to be sold. It has brought in new management, cut jobs by 10 per cent and improved productivity. Steel prices are also starting to come down.

The problems of Atal overshadowed better performances in Bullough's mixed bag of other businesses. The UK office furniture division did well, boosted by the Pentos acquisition last year, which contributed £1.6m in the eight months.

The refrigeration business also increased profits thanks to higher sales of chilled cabinets to supermarkets and fast-food restaurants last year. However, the hot summer dented profits at the heating division.

Further reshaping of Bullough is likely, with the addition of an engineering business to balance the portfolio top of the shopping list. But with gearing of 45 per cent the company does not have much room for manoeuvre. Atal losses have taken their

toll on the shares, which hit 190p last year but fell a further 5p yesterday to 105p. With analysts cutting this year's profit forecasts from £22m to around £18.5m, the shares are on a forward rating of 10. Cheap, but not without risk.

Bookings sag at Eurocamp

The woes of the holidays market were underlined yesterday by results from Eurocamp. The holiday group's bookings for this summer are down 20 per cent on last year as customers wait for a late booking and the chance of a discount. The group says it sold only 5-10 per cent of its holidays at cut prices last year, but some of those discounts were as high as a third.

It has also found margins squeezed as an increasing number of parents choose to avoid the higher prices during the school holidays. The company is considering "flattening" its pricing structure.

A further problem for Eurocamp is that three-quarters of its self-drive camping holidays are to France. Holidays there have been affected by the strong French franc, while there has also been a shift in sentiment caused by last year's strikes and the nuclear tests in the South Pacific.

This contributed to yesterday's 21p slide in Eurocamp's share price to 230p, barely above the 220p issue price when it came to the market in 1991.

Yesterday's slump was due principally to the bad news on bookings. The results themselves came as little surprise after the company had issued a profits warning in July.

Profits for the year to March were up from £8.7m to £9.3m on sales of £87m. Superbreak, the short-break specialist acquired for £21m last year, proved the star turn, contributing £1.2m of profits on sales of £10.7m. The acquisition underlines the wisdom of reducing reliance on the summer sales period. Stripping out Superbreak, Eurocamp's underlying profits fell from £8.7m to £8.1m.

Analysts have cut forecasts from £12m to £10.5m for the current year. With the shares at their lowest for two years, they are at a significant discount to the market on a forward rating of 11. But with the tour operator market clouded by so much uncertainty, the shares look a weak hold.

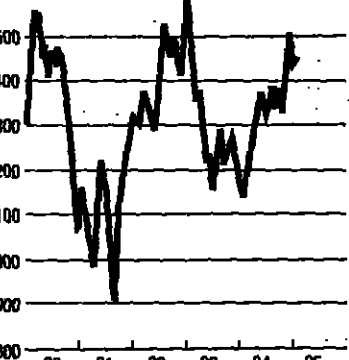
Composite insurers: at a glance

	Current share price, pence	Estimated 1995 net asset price	Estimated 1995 gross yield, %
Commercial Union	620	583	5.7
General Accident	663	631	6.0
GRE	264	241	4.4
Royal	383	374	5.1
Sun alliance	379	293	5.8

Source: Nikko Europe

Share price

price



UK non life premiums and profit as a % of the whole

	Premiums	Pre-tax profit
Commercial Union	39.7	63.4
General Accident	35.7	79.0
GRE	39.7	72.3
Royal	48.7	77.9
Sun alliance	49.9	82.0

Source: Nikko Europe

Railtrack sale gets into its stride

PETER RODGERS
Business Editor

The campaign to sell Railtrack to the City for up to £2bn got into its stride yesterday with the first full scale meeting between the company and institutional investors.

About 80 specialists from investment management firms were briefed at SBC Warburg's conference centre by Sir George Young, the transport secretary, and Bob Horton, the chairman of Railtrack.

This will be followed today by a seminar to brief share shop specialists. The government said earlier this month it had decided not to set up a full scale share information office along the lines of other larger privatisations and it plans to concentrate private investor marketing through share shops.

At yesterday's meeting Mr Horton was accompanied by John Swift, the rail regulator, Roger Salmon, who runs the Office of Passenger Rail Franchising (and is charged with sell-

ing the train operating companies) and Wynn Ellis, head of SBC Warburg's Railtrack analysis team. The investment bank is global co-ordinator to the sale.

Sir George said that 32 rail businesses with turnover of £2bn had been sold so far and 30 companies with turnover of £3bn were on the market. He added: "The responses from the private sector, from major companies and leading financiers around the world have confounded our critics."

Railtrack's advisers believe

that most of the building blocks are in place for the sale of the track infrastructure company for £1.5-£2bn, after the cost of performance penalties and the size of the company's share in property profits were clarified last week.

With the interim results also out of the way last week, the sale is scheduled to go ahead in May, less than two months after the end of the financial year in March. The main financial problem remaining is the scale of the debt write-off.

Step back from the Euro debate to make investment decisions



ECONOMIC VIEW

HAMISH McRAE

The great "Euro" debate moves on by the day. During the last couple of weeks it has been the downgrading of the growth forecasts for Germany and France which brought out into the open the practical difficulties both countries faced in meeting the Maastricht convergence criteria.

The markets last week responded by pushing up the mark as a safe haven from Euro-chaos. Then at the weekend, in response to these forecasts, there were a clutch of political speeches, some asserting that the single currency must go ahead on schedule, others that it could be delayed without damage.

Yesterday the scene shifted to Brussels, the first ministerial meeting since the deterioration of German and French public finances became evident. There it was the turn of Malcolm Rifkind to stir the pot by saying in public what he had previously said in private: that

Even buyers of gilts are not certain to be repaid in sterling

Britain reckoned that the present timetable for EMU had "a serious credibility problem", a comment not designed to endear him to the Brussels bureaucrats.

Now from the perspective of most Britons it is tempting to see this as all good clean fun: nice to see the pompous Euro-enthusiasts squirming for a change. But quite aside from being a bit childish, that sort of reaction has to be set against the reality that EMU may well still happen.

If Germany and France do wish to establish a single currency in 1999, it is technically perfectly possible for them to do so. It would just be a question of changing the Maastricht rules. In any case, even if France and Germany missed the conditions in the next three or four years they would be able to scramble back within them. The present war of words between various politicians around the EU is about delay, not about junking the thing.

A much more sensible approach is to step back from the politics and focus on the range



ECONOMIC VIEW

HAMISH McRAE

of market implications. There are two ways into this. The first is to construct a flow-chart, which might run on these lines.

First, you have to decide the odds on any countries going ahead in 1999. Next, there is the extent to which the criteria are eased, bent, or broken to allow them to do so. Obviously the wider the group, the greater the flexibility of the criteria. Finally, depending on which countries had been excluded, you would make some guesses as to when the outsiders might be admitted, if they wanted to.

On the other hand, if the 1999 date were not met, you would make a separate set of judgments: how long the delay might be, whether delay would scupper the project, and perhaps the runners and riders for start dates of, say, 2002 and 2005.

There is nothing wrong with that approach, and it is useful because even if you give quite a low probability to the start date of 1999, you tend to find that the chance of there being some sort of EMU by 2005 is quite large. People considering buying 10-year or longer-dated German bonds needs to be aware that they will probably be repaid in another currency. Indeed if investors are really determined to be repaid in the same currency as they are lending, they really should stick to dollars or yen.

Even buyers of gilts are not certain to be repaid in sterling, though amusingly yesterday there were some suggestions that gilts were becoming a safe haven amidst the turmoil of Eu-

ropean currencies. That shows that things have really come to a pretty pass.

This points to another way of looking at the whole business. It is to say something like this. Let's forget about the details of the EMU debate, because we simply cannot add anything sensible to it. What happens and when will be a political decision over which we have no control. Instead we should adopt a practical, fact-based approach to all investment decisions, and see where that leads.

That sort of approach heads in this direction. First, look at global inflation trends. These are clearly down and have been down since the early 1980s. There is no sign of any reversal of the secular trend, though obviously there will be cyclical swings.

Anyone investing money in bonds maturing in 20 years' time is making a grand decision about global inflation, besides which the performance of individual currencies is less important. If world inflation comes down, so will inflation in the various European currencies, though by somewhat different amounts.

But we still have to make a choice of the relative attractiveness of different lenders, so what are the guides there? The age-old laws of supply and demand hold good, but since we can have little idea of the demand for bonds in the second decade of the next century, let's focus on supply.

The graph (below left) shows what has been happening to the supply of government bonds in

the three big economic zones, showing that the supply is most restricted at the moment in the US, has increased rapidly in Japan, and is continuous and considerable in Europe. On this very simplistic basis, dollar-denominated bonds ought, on the face of it, to be attractive compared with Japanese and European ones.

One should also look at the stock as well as the flow, at the size of the European public sector debt in relation to gross domestic product compared with Japan and the US, and at the different levels within Europe. Allow for the different age structure of Japan and the US and the debt levels are not vastly different.

Most European countries, on the other hand, either have very high debt levels (Belgium, Italy), or they have rapidly ageing populations (France, Germany, Italy again). Since economic textbooks point out that the ability to service a

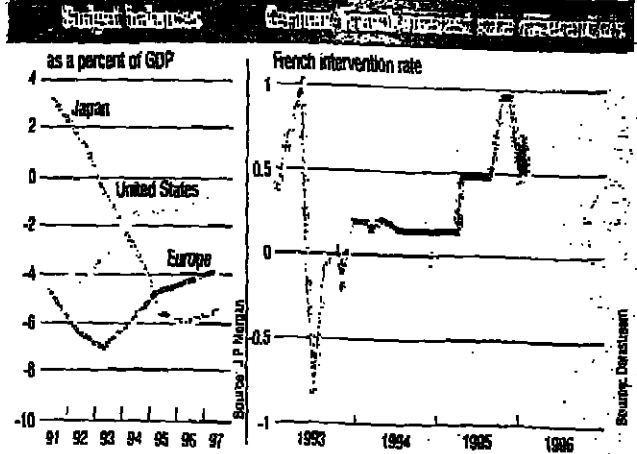
We still have to choose the relative attractiveness of different lenders

country's debt depends on the tax-gathering powers of a government, age structure is very important to the ability of country to honour its debts.

In so far as sterling ought to be a safe haven, it is not because the pound seems likely to exclude itself from the "Euro" game: it is because, for the next 20 years, the UK has a significantly less unfavourable age structure than the other larger European nations.

Look at those big issues, those that determine creditworthiness, rather than current fashions in economic or political thinking. The right-hand graph shows just how volatile the crucial relationship between French and German interest rates has been over the last three years: whenever the franc is weak, the French authorities have to jack up interest rates. But the reality of the relationship between the two currencies has hardly changed.

I think there is a moral here. We do not know what will happen to EMU. But if investors are risk-averse, they steer clear of the whole thing and invest in good old dollars.



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DATA BANK

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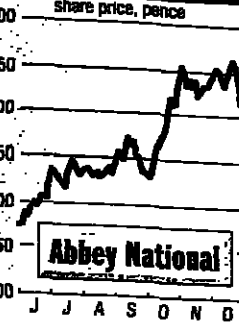
FT-SE 250
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688.6m shares,
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SHARE SPOTLIGHT



Airtours close to deal with Carnival cruise giant

MARKET REPORT

JOHN SHEPHERD



Final agreement is understood to have been reached for Carnival Corporation, the world's largest cruise ship operator, to take a near 30 per cent stake in Airtours, the second largest holiday company in the UK.

Airtours first admitted it was in talks the week before last, following a sharp rise in its share price. A City source said yesterday that the deal documents were close to being signed. The deal will mostly involve the issue of new shares, and be accompanied by a partial offer to existing shareholders. Airtours, valued at almost £500m, is a very tightly held stock. David Crossland, chairman and founder, owns 30 million of the 115 million in issue, and there are several large institutional holders.

Airtours may well accompany any announcement on Carnival with a separate deal to buy Spies of Denmark, as part of its concerted push to ex-

pand in Europe by establishing a firm base in Scandinavia. Speculation that the deal might be imminent did not start circulating until the market had closed for business yesterday. By the close of dealings, shares in Airtours were trading 3p down at 424p largely reflecting disappointing results from Eurocamp. The specialist camping operator caused disappointment by reporting a 20 per cent decline in bookings for this summer.

Investors were wrong-footed by the news despite bad news on holiday bookings by every other tour operator in recent weeks. Eurocamp's shares plunged 21p to 230p, and almost one million were dealt. First Choice, the UK's third largest tour operator, dropped 3p to 71p.

The market was largely bereft of gossip yesterday and share prices generally spent much of the session marking

time. The FT-SE 100 share index bounced around between plus and minus 7 points, and finished virtually bang in the middle at 3,734.6—a fall of 0.1 of a point on the day.

Investors paid very little attention to the record breaking antics on the other side of the Atlantic. Trading on Wall Street yesterday opened on a firm footing following Friday night's 55 point surge in the Dow Jones index to yet another peak of 5,271.75.

A lack of real takeover action and fading hopes of fresh cuts in interest rates appear to be keeping the lid on the London market. Gift edged stocks recorded losses extending to

quarter of a point. Volume trading yesterday struggled to reach 688 million, given that there was some very chunky business conducted in several of the leaders. The most actively-traded included British Gas, 21 million, Lloyds TSB, 32 million, and 12 million each in British Steel and in Fortis, which disappears from the Footsie tomorrow.

British Gas dropped 4p to 236p, complaints against the company have doubled, and it is becoming embroiled in a fierce row over its right to cut off power stations amid one of the coldest winters in decades.

A chilly wind also blew across the financials pitch.

Worries about an all-out war among mortgage lenders took Abbey National down 18p to 614p. The fall wiped £237m off the company's value.

The main fear is that Nationwide—the country's second largest lender—is on the verge of slashing mortgage rates and simultaneously raising interest rates for savers. This will put the squeeze on building societies like the Abbey National—because such moves will eat into profits and limit their scope to raise dividend payments to shareholders.

The threat of a mortgage war prompted analysts James Capel and SBC Warburg to switch their investment recommendations for Abbey yesterday from buy to hold.

Away from the gloom, several second liners registered reasonable gains on sustained and fresh bid speculation. Lloyds Chemists sprinted 24p

to 450p as rumours intensified of a counter-offer by Gehe of Germany to Unichem's agreed bid made a fortnight ago. More than 3.5 million shares in Lloyds changed hands. Unichem fell 6p to 249p.

Renewed bid speculation lifted Ladbroke 5p to 174p. The company—seen in some quarters as a target for Bass—is negotiating to buy the Barcadia casino in London from Stalks, steady at 87p.

Read International firmed 7p to £10.17p on rumours of an imminent £60m disposal of its 50 per cent share in Book Club Associates to its joint venture partner, Bertelsmann. There is also talk that Virgin Publishing is looking to buy Reed Consumer Books for up to £100m.

Shares in Boots climbed 12p to 619p on gossip that it was to sell its Childrens World stores to Storehouse, a penny softer at 292p.

□ Oei Hong Leong, the Chinese tycoon, is believed to have tightened his grip on Bolton Group and is looking to use the tiny property investment company as a vehicle to buy telecom and cable firms. More than 17 million Bolton shares, up 2p to 25p, were traded. It is understood Giant Point Developments, his holding company, has increased its stake in Bolton from 27 to 28 per cent by buying shares from other directors.

□ Trading volume in VideoLogic was brisk, with more than 1.6 million shares dealt by the close of business. There was gossip that the company was close to signing a couple of big supply deals for its multimedia computer chips. One of the deals is said to be with IBM. Shares in VideoLogic firmed 0.5p to a year's high of 68p.

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Foreign Exchange Rates

STERLING			DOLLAR			
Country	Spot	1 month 3 months	Spot	1 month 3 months	Spot 3 months	
US	1507	11-9 30-27	1000	0-3 0-5	08730	
Canada	23803	11-4 31-27	13786	2-1 75-70	08205	
Germany	22805	14-44 55-15	14055	22-21 59-94	10000	
France	26012	14-44 55-15	14055	22-21 59-94	10000	
Italy	74001	17-74 70-21	90013	45-48 135-151	107702	
Spain	27177	17-74 70-21	12538	2-4 4-6	05452	
Belgium	40019	17-74 70-21	12538	32-37 65-140	08670	
Denmark	85755	16-12 62-12	67520	50-49 98-92	10371	
Netherlands	67520	16-12 62-12	67520	50-49 98-92	10371	
Ireland	67520	16-12 62-12	67520	50-49 98-92	10371	
Norway	9591	127-45 107-16	12538	32-37 65-140	08670	
Sweden	12538	127-45 107-16	12538	32-37 65-140	08670	
Switzerland	12538	127-45 107-16	12538	32-37 65-140	08670	
Australia	20370	12-41 40-19	13614	1-2 54-55	53046	
Hong Kong	11561	78-30	0-4	22-25 36-32	10073	
Japan	35551	107-00	14958	0-4 4-4	08181	
New Zealand	27-41	107-00	14958	0-4 4-4	08181	
South Africa	52554	0-0 0-0	14958	4-30 10-58	08546	
23330	0-0 0-0					

OTHER SPOT RATES

Country	Starting	Ending	Country	Starting	Ending
Algeria	15081	03699	Nigeria	123690	055000
Angola	15081	04094	Niger	05807	03560
Brazil	16759	08788	Pakistan	018077	24765
Canada	14760	02550	Philippines	204940	26350
China	12416	02550	Portugal	235329	54065
Egypt	53076	34082	Russia	54988	36400
France	68736	40579	Senegal	76901	47500
Germany	14501	14501	South Africa	14832	274900
Ghana	22617	26650	Taiwan	14832	36730
Greece	59485	354940	UAE	65400	
India	29072	030072			
Kenia	04529				

Note: Forward mass e-mails right to lowe@earthlink.net or a discount quoted from spot rates; items marked low

Note: Forward mass e-mails right to lowe@earthlink.net or a discount quoted from spot rates; items marked low

to high are at a premium price in the foreign exchange rates call 0897 1

Tourist Rates			
E Boys		E Boys	
Australia(Dollars)	13700	France(France)	24500
Austria(Schillings)	15200	Germany(Germany)	2800
Belgium(Francs)	445000	Greece(Greece)	367000
Canada(Dollars)	22700	Italy(Italy)	114300
Ceylon(Pounds)	27225	Japan(Japan)	29500
Cyprus(Pounds)	84300	Netherlands(Netherlands)	2270000
Denmark(Danish)	24500	Russia(Russia)	59500
Holland(Dollars)	24700	Turkey(Turkey)	89400
Ireland(Pounds)	83000	United States(Dollars)	22000
		Norway(Norway)	55700
		Spain(Spain)	227000
		Sweden(Sweden)	103300
		Switzerland(Switzerland)	17800
		8940000	14700

Interest Rate

UK		Germany		US		Japan	
Basis	0.25%	Discount	3.00%	Prime	0.75%	Discount	0.50%
France		Lombard	6.00%	Discount	5.25%	Belgium	
Intermarket	5.00%	Compte		Fed Funds	5.44%	Discount	3.00%
Italy		Prime	7.75%	Spies		Control	3.625%
Sweden	9.00%	Discount	5.75%	10-Day Repo	0.25%	Switzerland	
Netherlands		Datamark		Sweden		Discount	1.50%
Americas	3.50%	Discount	4.25%	Repo (Avg)	0.75%	Lombard	4.125%

Bond Yields

Country	off	on	off	on	off	on	off	on			
UK	9%	6%	6 1/2%	5 1/2%	267	247	Mathematics	9%	470	9%	582
FR	9%	6%	6 1/2%	5 1/2%	267	247	Science	11 1/2%	825	10 1/2%	573
US	5 1/2%	5%	5 1/2%	5%	267	247	English	10 1/2%	921	9 1/2%	1041
Japan	6 1/2%	5%	6 1/2%	5%	267	247	History	9 1/2%	857	8 1/2%	539
Australia	6 1/2%	5%	6 1/2%	5%	267	247	Geography	9 1/2%	789	9%	844
Germany	6 1/2%	5%	6 1/2%	5%	267	247	Art	9 1/2%	789	9 1/2%	886
France	5 1/2%	5%	5 1/2%	5%	267	247	SECT GAT	9 1/2%	789	9 1/2%	886

Source: SERC Machine Research

Yields calculated on loan basis. ** Denotes new benchmarks

Money Market Rates

	Overnight	7 Day	1 Month	3 Months	6 Months	1 Year
Interbank	6 1/4	6 1/4	6 1/4	6 1/4	6 1/4	6 1/4
Swing Cdn	-	-	6 1/4	6 1/4	6 1/4	6 1/4
Local Authority Depos	6 1/4	6 1/4	6 1/4	6 1/4	6 1/4	6 1/4
Discount Market Depos	6 1/4	6 1/4	-	6 1/4	6 1/4	6 1/4
Treasury Bills (90)	-	-	6 1/4	6 1/4	6 1/4	6 1/4
Dollar Cdn	-	-	5 1/2	5 1/2	5 1/2	5 1/2
ECU Linked Dep	-	-	4 1/4	4 1/4	4 1/4	4 1/4

Litfe Financial Futures

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Lift FT-SE Index Option

Settlement price: 3735.0	closing offer price		Call/Put Total/vote
Series	3650	3700	3900
February	102/8	63/20	12/74
March	125/28	90/44	36/83
April	138/48	105/88	55/117
May	155/64	123/82	98/105

Commodities

INDUSTRIAL METALS - London Metal Exchange						
Element	Unit	Cash	3 mths	Volume	LINE Stocks	chg
Al	HQ	1534-32.5	1545-35	262-01	644275	- 220
Al	AQ	1380-40	1375-40	20-01	63380	- 250
Copper	A	2204-05	2208-07	454-48	343775	+ 7600
Lead		1715-10	1715-10	5-95	24000	- 2800
Nickel		7007-10	7008-10	1773-9	101050	- 5
Tin		6770-80	6720-25	5577	15555	+ 2425
Zinc		1074-15	1074-35	20805	565775	-
Stocks volumes & change in barrels in US, Friday 25 January						
PRECIOUS METALS						
Element	Unit	Cash	3 mths	Volume		
Gold	1000 US DOLLARS	308-00	307-00	97		
Silver	1000 US DOLLARS	19-00	19-00	24		

per fix /oz	\$	£
Platinum	414.25	275.25
Palladium	372.75	244.00

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Mar	37780	Mar	1325
May	36030	May	1190

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Brent Crude	(5/barrel)
NPE	5.30mm 2000 Yr 2000

Mar	95.7	-0.28	15.67	Feb	95.60	-0.28	Mar	17.00	Special Ref. Price of West. Europe	95.70
Apr	95.65	-0.41	15.55	Mar	94.75	-1.50	Apr	17.00	London Gasoline	95.70
May	95.68	-0.23	15.51	Apr	94.50	-1.50	May	16.90	Naphtha	95.67
Vol:	35,371	lasted:	16.43	Vol:	26,240		June	95.5	Heavy Fuel Oil	95.65

*since 5:30am previous day. *see price above average for week. Source: ICIS-London Oil Report. *signs prices

COMMODITY PRICES

*GSCI Indices	Base date
Index	1976=100

Gold/Silver	1970-1980	26,477	+150	26,736	+167	26,932	+169
Energy	1970-1980	5167	+187	7131	+321	10,146	+1,046
Industrial Metals	1970-1980	927	+100	1,028	+101	1,129	+102
Livestock	1970-1980	10,192	-278	9,912	-280	9,632	-278
Food Products	1970-1980	12,836	-476	12,360	-476	11,884	-476
Consumer Metals	1970-1980	56,699	-333	56,366	-333	56,033	-333

Source: Goldman, Sachs & Co. *GSX is a trademark and service mark of Goldman, Sachs & Co. †Change as of Jan. 31, 1991

Rank	Fund	Assets	Assets	Assets	Assets
1	MetLife	\$1,000,000,000	\$1,000,000,000	\$1,000,000,000	\$1,000,000,000
2	Prudential	\$900,000,000	\$900,000,000	\$900,000,000	\$900,000,000
3	Equitable	\$800,000,000	\$800,000,000	\$800,000,000	\$800,000,000
4	Lincoln	\$700,000,000	\$700,000,000	\$700,000,000	\$700,000,000
5	Continental	\$600,000,000	\$600,000,000	\$600,000,000	\$600,000,000
6	Rockefeller	\$500,000,000	\$500,000,000	\$500,000,000	\$500,000,000
7	Manhattan	\$400,000,000	\$400,000,000	\$400,000,000	\$400,000,000
8	NY Life	\$300,000,000	\$300,000,000	\$300,000,000	\$300,000,000
9	Western	\$200,000,000	\$200,000,000	\$200,000,000	\$200,000,000
10	Equitable	\$100,000,000	\$100,000,000	\$100,000,000	\$100,000,000

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sport

SUPER BOWL XXX: Two second-half interceptions hand Dallas a third title in four years, Matt Tench reports

O'Donnell lets down Steelers

In the build-up to Super Bowl XXX it was suggested that Neil O'Donnell, who looks like the bassist in a country and western group, that if he shaved his beard off it might improve his marketability. He declined the offer, and perhaps it was just as well. As the game itself showed, it will take more than a trip to the barbers to turn the Pittsburgh Steelers quarterback into a superstar.

O'Donnell has endured more than his fair share of critics in six years with the Steelers, but as a key figure in their route to this year's finale his supporters argued that he had now done enough to be regarded among the sport's elite. His performance in Sunday night's showpiece in Tempe made the suggestion seem ridiculous.

O'Donnell crowned a desperately unconvincing display with the two interceptions that settled a compelling, if somewhat unsatisfying, Super Bowl. As a result the Dallas Cowboys won 27-17 to claim a third title in the last four years, but this was the least impressive of their recent triumphs and can only complicate, rather than settle, the debate surrounding the gifts (or lack of them) of their head coach, Barry Switzer.

Twice in the second half the Steelers fought their way back into a game that should have been beyond them, and twice O'Donnell hijacked their hopes. There are occasions when quarterbacks are unfairly blamed for ceding possession, but there can be no denying O'Donnell's culpability.

In the third quarter the Steelers' attack was threatening an equidistant score when the Steelers' playcaller threw a bewildering pass straight into the hands of the Cowboys' Larry Brown. There wasn't a Steelers within 10 yards of him. Brown returned the ball to the Dallas 18-yard line and a couple of plays later Emmitt Smith plunged over to give the Cowboys a 20-7 lead.

Still the underdogs were not done, and with four and a half

minutes remaining they took possession on their 33, having cut the lead to 20-17. One of the great Super Bowl finishes seemed a possibility until O'Donnell, again intimidated by a posse of blitzing Cowboys, once more found Brown. This time the Dallas cornerback made it to the seven, and Smith's second short-range TD ended the contest.

Bill Cowher, the Steelers head coach, was quick to console his quarterback as they left the field. "I told him to look at the big picture, not just this game. We wouldn't have been here without him," Cowher said.

All the same, O'Donnell's performance may prove expensive. His contract expires next month, and with an annual income of \$2.8m (£1.8m) is one of the less well rewarded of a lucrative calling. An impressive year suggested it was time for him to join the \$4m club, but his unhappy Sunday may change all that, and could even persuade the Steelers to allow him to move elsewhere.

Certainly there was a stark contrast between O'Donnell's work and that of Troy Aikman, his Dallas counterpart. Faced with much the same sort of pressure, Aikman displayed characteristic poise in the pocket, either finding his man or throwing the ball away. His match result was a relatively modest 209 yards and cannot be said to have won the game. Crucially, he did not lose it either.

In a confusing and ultimately disappointing Dallas display Aikman's aplomb was probably the difference, but should not have been necessary. The Cowboys so utterly dominated the early stages that, for a while, it was difficult to see the game staying competitive until half-time, let alone the finish.

On his first carry Smith, freed by a block by Larry Allen on Greg Lloyd that should have carried its own assault charge, dashed for 23 yards. The Cowboys were no less successful



Contrasting fortunes: Emmitt Smith, pursued by the Pittsburgh defense (above), had, by his standards, a relatively subdued game even though he scored two touchdowns. Neil O'Donnell (below right) slumps in despair on the sidelines after his second interception cost Pittsburgh any chance of staging a comeback. Photographs: Reuters

through the air, with Aikman happy to locate the underneath receiver when the Steelers shut down the deeper options. By the end of the first quarter the Cowboys, clearly at home in Arizona, were 10-0 ahead and apparently poised for another rout.

That the Steelers were able to mount a response speaks much for their heart, and also some shrewd coaching adjustments. Projected as the Cowboys' inferiors in just about every regard, they began to thwart Smith, largely thanks to the efforts of linebacker Levon Kirkland. A scoring drive was limited to a field goal, and the next one, for the first time, produced a punt.

Then, as the half came to a close, the Steelers offense belatedly generated some momentum, culminating in a scoring reception from Yancey Thigpen with 17 seconds left that combined two unlikely scenarios: a perfectly thrown ball from O'Donnell and Deion Sanders being beaten for a touchdown.

At the break the Steelers were entitled to be delighted that they only trailed 13-7, and the sense that this might, staggeringly, be a victory for the common people grew in the second half as they continued to thwart the Cowboy attack.

O'Donnell's indiscretions changed all that (though Bam

Morris's three-yard plunge kept the contest alive after the first one) but hardly alter the impression that the Cowboys under Switzer are considerably less threatening than under his predecessor, Jimmy Johnson.

Switzer has a reputation as a laid-back players' coach, but it is difficult to imagine a Johnson team having to take a time-out when Pittsburgh switched to the no-huddle offense, muffing a kick-off or fluffing Pittsburgh's outside kick. Switzer's Cowboys did all three on Sunday, and also failed to make the most of their awesome attacking armoury. (Smith rushed for just 49 yards.)

Naturally the Cowboy players

entertained no such doubts as they rallied round their leader afterwards. "I'm proud of this team and I'm especially happy for coach Switzer," Brown said. "We owe this to the man."

Brown was voted the game's Most Valuable Player, an arguable award given that his two game-breaking interceptions were straightforward plays that required no great skill. Aikman and Kirkland would have been worthy alternatives, but from a game lacking in outstanding individual efforts it was probably a fitting selection.

The choice of the game's least valuable player was presumably less difficult.



Wasps go back on road for Pilkington

Rugby Union
STEVE BALE

Wasps could afford a certain smugness at being the only side in yesterday's either/or Pilkington Cup quarter-final draw at Twickenham who knew for sure they were in the last eight, but this was wiped from their faces when they were presented with yet another away tie.

On 24 February, last season's beaten finalists must visit the winners of the Nottingham-Gloucester tie postponed with six others last Saturday.

With the Cup taking precedence over the league, these matches will cause wholesale First Division postponements by going ahead on 10 February when the Second, Third and Fourth will also be affected. If league position means anything, Wasps can expect to be at Kingsholm.

Wasps' fifth-round tie at Wincanton Park, a 57-0 reward for the tortuous six hours it took them to reach Cheshire from London last Friday, was the only one completed to schedule. This made it 800 miles of cup travelling already this season to add to the 1,600 of last season while they were en route to meet Bath at Twickenham.

Indeed, it is nearly three years since Wasps were last favoured with a home draw. Since that semi-final defeat by Harlequins they have ventured as far west as Exeter and as far north as Newcastle, where Quins still have to win to qualify for the doubtful pleasure of a quarter-final at Saracens or, more likely, Leicester.

Bath, the holders, will have a ferocious derby at Bristol if the West Country giants win at Wakefield and Bedford respectively.

The pursuit of anglophile foreigners willing to earn themselves some sterling picked up yesterday when Olivier Roumat, the outstanding French lock who reached the Currie Cup final with Natal during the South African season, was linked with Wasps where his compatriot Philippe Sella may also end up.

PILKINGTON CUP quarter-finals: Leeds or London (either or) Harlequins v Gloucester; Nottingham or Gloucester v Wasps; Leicester or Saracens v Newcastle or Harlequins; Bedford or Bristol v Wakefield or Bath. (To be played on 24 February.)

Questions of Sport

£40,000 to be won

Today we are giving you another sporting chance of an instant win. In Saturday's paper, there was a Questions Of Sport multi-choice scratch card which, if you answer three sporting questions correctly, gives you the chance of an instant cash prize from £1 to £1,000.

You don't have to be an obsessive fan to play - a good general sporting knowledge should suffice. But remember, you only get one chance to answer each question, so if you are in any doubt, check it out.

The card contains eight games so you can play daily through to Friday 2 February.

As well as the daily instant cash prizes there is a weekly accumulator prize of £5,000 to be won.

HOW TO PLAY

Today we are playing the section of the card dated Tuesday 30 January. Below are three sporting questions, each with three possible answers coded as A, B and C. Scratch off your answer to Question Thirteen, either A, B or C in the Q13 column then repeat for Q14 and Q15.

THE QUESTIONS

Q13 Who scored Everton's winner in last season's FA Cup final?

- A: Duncan Ferguson
B: Daniel Amokachi
C: Paul Rideout

Q14 Which of the following players has not won the tennis Grand Slam (winning Wimbledon, the Australian, French and US Opens in the same year)?

- A: Steffi Graf
B: Martina Navratilova
C: Rod Laver

Q15 Which country does George Weah, Milan's European Footballer of the Year, come from?

- A: Nigeria
B: Ghana
C: Liberia

IMPORTANT

Scratch off ONE letter only for each question. If you reveal three identical cash amounts on any one game section on any one day, you win that amount. After you have played the last game on your card, total the cash amounts you have revealed. If your total is £5,000 you win or share the £5,000 accumulator prize. You could also win today's instant prize of £100 by revealing an asterisk.

If you have revealed three identical cash amounts of £5 or under, DO NOT PHONE. Take the claim coupon OR a piece of plain paper with your name and address on it PLUS the relevant section of the card to one of the newsgagents listed below. For prizes over £5, phone 01254 683666 (Irish Republic 0044 1254 683666) between 10.30am and 4pm today.

Participating newsgagents: WH Smith, John Menzies, Forbuys, Martins/RS McColl, Dillons, Gibbs, Macs, Supermarts, United News Shops, Star News, K Balfour, Eason, GT News, Paperchain - Village Store, Paper Shop. IF you have any difficulty redeeming your card and coupon for a prize send both to: Independent Questions Of Sport claims, PO Box 60, Buxley, BB10 1SH.

RULES

1. No purchase necessary. Cards are freely available from newsgagents or by sending a large size to: Independent Questions Of Sport Card Request, PO Box 41, Buxley, X, B25 6AQ. One card per request.
2. The prize for each game will be awarded to the player or players making a successful claim.
3. All claims are subject to scrutiny and cards must be intact to be eligible for a prize. Cards with printing errors are void.
4. Winners must agree to the publication of their names and photographs in The Independent and the Independent on Sunday.
5. Should more prizes be claimed than are available in any prize category, for any reason, a simple draw will take place for the prize.
6. Persons under 16 years old, employees of Newspaper Publishing plc, Mirror Group, Europrom Promotions Ltd., Newspaper Publishing plc mail agents, their agents and families are not allowed to play.
7. The Editors' decisions are final in all matters relating to the games. No correspondence can be entered into.
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London Marathon record

Athletics
MIKE ROWBOTTOM

This year's London Marathon will be the biggest in the event's 16-year history. A record number of entries - 39,000 - have been accepted for the race on 21 April, of whom an estimated 27,000 are expected to finish.

The event is now at its limits in terms of participants, according to Alan Storey, the event's general manager.

"Taking the course into account - Cable Street, for instance, is only 13 feet wide - we are up to our maximum level as far as safety is concerned. Next year we will probably get an even greater number of entries, but such is the price of success."

Although no participating runners have yet been named, Dave Bedford, the event's international co-ordinator, forecasts a memorable race. "I believe this year's race will be of higher international quality than last year's and that of 1989," he said. "And I think most people agree that those were the best so far in international terms."

Meanwhile Flora, who has secured the event for the next three years, have put in a total of £6m towards their Marathon involvement this year.

There will be a number of new elements in the 1996 race, including a challenge to all professional football clubs north and south of the border to enter teams in club colours on a competitive basis. Over 100 clubs have accepted.

Elite runners, and others selected by the organisers, will have their progress charted through silicon chips worn on their shoelaces which will transmit information every time they cross special mats which will be placed at five-kilometre intervals on the course.

Chris Maddocks became the second Briton to win pre-selection for this summer's Olympic Games when he was named yesterday for the 50km walk. The 38-year-old, from Dawlish in Devon, will be competing in his fourth Games. The last athlete selected was Vicky Lupton in the women's 10km walk.

Britain on verge of excellence

Hockey
BILL COLWILL

Great Britain's Olympic qualifying campaign went according to plan in Barcelona, albeit without the services of two very senior players and also the captain, Jason Laslett, on the final day.

Russell Garcia, the 1988 Olympic gold medalist who had been expected to play the key midfield role at his own club venue, was stricken down with gastro-enteritis before the tournament began and Julian Halls, the iron man in the defence, missed out on all the games.

The absence of two key players clearly put a strain on the squad, in particular on John Shaw and Soma Singh. Their coach, David Whitaker, said: "I was unable to rest them as I would have liked. They both responded to my full satisfaction."

He added: "I have been very pleased with the players' attitude and strength. The pressure in a round-robin competition is very challenging, but we were unbeaten. We are potentially a very good team. We dominated every game at times but allowed some teams to come back at us. We do not finish as clinically as, say, the Dutch or the Australians, but we have time to work on that."

Certainly, there is a need for Britain to make more of the chances they create and too much reliance is put on the ability of specialist corner striker Calum Giles. The Havant striker again responded to the challenge, being second top scorer with eight goals in a total match time of just under 21 minutes.

With an unbeaten run of 17 internationals since the end of

November, the squad will now rest until the opening of the new Milton Keynes stadium on 24 March, when England were to play India. But following the announcement by the Indian coach, Cedric D'Souza, after the last game in Barcelona that India would send an under-21 side and ex-internationals, the Hockey Association president, Robin Elliott, said: "We have no interest in playing other than the full national squad. If that is the case, then we will look to get another country of equal quality."

Following the goalless draw between India and Malaysia, which was suspiciously lacking in commitment, the Canadian vice-president, Don Patterson, has lodged a complaint with the International Hockey Federation. ■ Starting on 5 August, as a temporary experiment, there will be no offside in hockey.

Millie keeps brothers at bay

Ice hockey
STEVE PINDER

Ice on the roads may have caused some games to be called off because teams were unable to travel, but two games kept the fans warm as Newcastle Warriors versus Nottingham Panthers and Slough Jets against Fife Flyers produced exciting draws.

Slough's 3-0 start against Fife was due to a brotherly hat-trick. Gary Stefan's two goals complemented by one from his

younger brother Joe. Fife pulled back to 3-3 at the end of the first period, and the second period saw the sides swap goals with Slough ending up 6-5 leaders.

The two sides continued to exchange goals until, with two minutes left, Joe Stefan scored to make it 9-8. With 90 seconds remaining, Les Millie, who comes from a Scottish ice hockey dynasty, proved that brotherhood is not everything by scoring the equaliser for a 9-9 final result.

Newcastle and Nottingham

kept their match tighter but the game was just as back and forth, with the score 4-4 at the end of the second period. With defence crucial in the third period, it looked as if Mike Blaisdell, the Nottingham player-coach, had taken the points with a goal two minutes into the period.

The Panthers defended en masse but, for the second week in a row, Newcastle's Scott Morrison decided the outcome of the match with a short handed goal with minutes left for the 5-5 final score.

WHERE ARE THEY NOW?

The golden age of Welsh rugby produced many flamboyant stars but also some solid, dependable ones, into which category Steve Fenwick falls. After a fine debut at Parc des Princes in 1975 - he scored a try, a conversion and a drop goal as Wales achieved a record 25-10 victory in Paris - the Bridgend centre went on to win 30 caps, a Welsh record for the position until last year.

Fenwick faced England seven times, losing only at Twickenham in 1980. He toured with the Lions in 1977 and twice won the Welsh Cup with Bridgend, dislocating a shoulder in the 1978 final but still being named man of the match for his 15 first-half points. Away from rugby, Fenwick enjoyed success as a businessman. He quit teaching in 1977 to join Tom David, a fellow Welsh international, in forming Ingle Crown Chemicals, an industrial supply company. The company has since been sold and is now part of the giant Repsol group.



Steve Fenwick

Today, Fenwick, 44 and married with two children, is chief executive of his former Bridgend club. It is a position unimaginable when he joined Cardiff's Blue Dragons rugby league team in 1981, which at the time barred him from returning to union. "I enjoyed rugby league and when I packed in playing I did not really miss being involved," he said. "But Bridgend asked me to help when they were going through a sticky patch, and when they restructured two years ago I was appointed chief executive. The arrival of professionalism has created one or two inevitable headaches, but I'm enjoying the challenge."

Jon Cullif

United fined in FA clampdown over poaching

Football
GUY HODGSON

For a second time in less than three weeks, the Football Association clamped down on Manchester United's aggressive accumulation of young footballing talent yesterday, fining the club £20,000 for poaching a schoolboy from Oldham Athletic.

United, who escaped punishment when they were found guilty of an illegal approach to Arsenal's Matthew Wicks, were not so fortunate over David Brown, 17. In addition to the fine, they must also pay costs of the FA commission's hearing and agree compensation with Oldham. The eventual price could be as much as £100,000.

A spokeswoman for the FA, Claire Tomlinson, said United had fallen foul of Premier League rule 20.9. "The fine reflects the seriousness of the offence," she said. "We don't want any illegal approaches to schoolboys. Clubs spend a lot of money, time and effort on the development of their young players and we feel have to afford them protection."

Earlier this month United were reprimanded by the FA over Wicks - the son of the former Chelsea defender, Steve - but were spared punishment when the youngster decided to return to Highbury.

United, who have maintained their innocence in both cases, are considering an appeal concerning Brown and have asked for a clarification of the regulations. Maurice Watkins, a solicitor and club director who presented United's case to FA, said: "I don't think the rules are particularly clear and this was the point I was trying to make before the commission. We need to make it very clear that if a player takes a view that his career is best served elsewhere then, as long as proper compensation is payable, then he can be allowed to move."

It was a lucrative day for the FA's disciplinary arm because, in addition to United's fine, the Middlesbrough manager, Bryan Robson, was docked £750 and his players Neil Cox and Nigel Pearson £500 each after being found guilty of bringing the game into disrepute.

The charges related to incidents near the players' tunnel

and dressing-room areas after the match at Blackburn on 16 December. All three were found guilty of making foul and abusive remarks to referee Paul Daniels after Middlesbrough's 1-0 defeat and warned about their future conduct.

There could be trouble looming, too, for Ian Wright, who has been ordered to appear before a disciplinary committee to discuss remarks he made about referees on Arsenal's club-call telephone line. He allegedly described some officials as "little fiddlers". Arsenal's manager, Bruce Rioch, has apologised to the FA for his part in a touchline confrontation with the Newcastle coach, Terry McDermott, during a Coca-Cola Cup quarter-final at Highbury on 10 January. "Mr Rioch apologised, stressing in his letter that the incident was purely verbal and nothing else," an FA spokesman, Steve Double, said.

On the transfer front the wave of foreign imports appears likely to be swelled by the Brazilian international, Branco, who is in line to join his compatriot, Juninho, at Middlesbrough. He is valued at around £6m but Boro expect to get him for considerably less because the full-back holds his own registration. The club has applied for a work permit for him.

West Ham are also looking abroad, having made a £2.5m offer for the player described as Portugal's Ryan Giggs, Sporting Lisbon's Dani. The 18-year-old striker flies to London tomorrow to join the Hammers for the rest of the season with a view to a permanent move.

Newcastle United yesterday were still not responding to reports that the Colombian striker, Faustino Asprilla, had failed a medical, which has stalled his proposed £6.7m move from Parma. The Italian club's coach, Nevio Scala, insisted all was well. "It's nonsense to say he's carrying an injury... He has been in training and playing for me and I am not aware of any medical problems."

Wolves last night rejected a £3m offer from Coventry for Dean Richards, the England Under-21 defender for whom they paid Bradford City £1.5m last year.

Motherwell hope to avoid another blank

Satellite television producers are hoping that today's match at Motherwell will not leave them screening another blanky-blank. Motherwell play Aberdeen in the Tennent's Scottish Cup third round, with Sky Sports hoping to break four and a half hours of goalless action from Fir Park. They drew 0-0 in three televised games in 1995, against Hibernian, Hearts and Rangers.

Alex McLeish, the Motherwell manager, yesterday told his goal-shy players: "Cup glory can help our survival battle."

"That result has made a difference around Fir Park in the past week," McLeish said. "The game was a scrap and it is going to be that way from now on for us in the league. A Cup win would be a big boost because winning breeds confidence."

McLeish could recall Chris McCart, the Motherwell captain, after a two-month absence. But he is angry at a ruling by the Scottish FA which will cost Willie Falconer, a recent arrival, the chance to face one of his former clubs.

Falconer arrived from Celtic a fortnight ago, but he is ineligible because he signed less than 14 days before 27 January, the scheduled date for the match before it was switched for television. John Hendry or Alex Burns will replace Falconer.



Clap hands: Arnold Palmer prepares for Jim Colbert's praise after a birdie during a skins game in Hawaii

Photograph: AP

Beaten Coltart backed to win

Golf

Ian Woosnam may be the man of the moment again after his victory in the Johnnie Walker Classic, but he took the time yesterday to offer words of encouragement to the man he beat in the play-off in Singapore.

Andrew Coltart was the victim when Woosnam twice holed long putts on the 18th green on Sunday, one taking him into a play-off with the 25-year-old Scot, the other to win the title. Before heading off for the Heineken Classic, starting in Perth, Australia, on Thursday, Woosnam told Coltart: "I think you'll soon win, and if it's any consolation I hope you beat me the next time we meet in a play-off."

Sunday's victory, worth £100,000, was Woosnam's 37th as a professional and took his earnings on the European Tour alone to nearly £4.5m. However, the timing of his triumph was the important thing to the former world No 1 as it was that it came just when people - and he himself - were wondering if he would ever hit the heights again.

His Japanese club sponsors, Maruman, did not renew their contract at the end of last season and Woosnam was worried about the state of his back. "I was thinking then that if my back was going to be like that for the rest of my life I didn't want to play."

At Tanah Meriah, though, he was unrecognisable from the figure who had put two putters - one long, one short - in his bag in the second round of the German Open last August because he did not know the best way forward.

Woosnam has altered his swing and has been working with Colin Montgomerie's coach, Bill Ferguson. He also gave his back as much rest as he could in a 10-week lay-off prior to going to Singapore.

Raymond Floyd won five skins worth \$180,000 (£120,000) with a tap-in putt on Sunday and collected \$240,000 in all to win his third successive Senior Skins Game at the Mauna Lani Resort in Hawaii. Jim Colbert, the 1995 Senior Tour Player of the Year, won \$180,000, while Arnold Palmer picked up \$80,000 and Jack Nicklaus \$40,000.

BBC claims England v Scotland

GUY HODGSON



BBC Television, which had a 1995 it would prefer to forget when it came to losing contracts for big sporting occasions, will be screening the most eagerly awaited football match of the European Championship finals this summer.

It will show England's match against Scotland at Wembley on 15 June while ITV will have coverage of both England's and Scotland's opening matches, plus the probable deciding games in the group: Scotland versus Switzerland and England against the Netherlands. All these matches will be screened live.

"The game has captured the imagination of football fans north and south of the border," Brian Barwick, head of pro-

duction for BBC TV sport, said of the England v Scotland confrontation.

"It's a massive match, the focus of the opening round. I feel confident the game will attract a similar audience to the near 17 million who watched the 1990 World Cup semi-final between England and West Germany on BBC."

The contract for Euro 96, the biggest international sporting occasion to take place in England since the 1966 World Cup, was secured several years ago before BSkyB was able to flex its financial muscle. As a result terrestrial television will have a monopoly, acting as broadcaster both domestically and around the world.

ITV's head of football, Jeff Farmer, said: "We negotiated a sensible arrangement with the BBC and I am delighted with ITV's package." The event starts with England v Switzerland.

at Wembley on 8 June - which will be screened by ITV - and reaches a climax on 30 June, when both BBC and ITV will cover the final live.

The BBC will have first choice of the quarter-finals when the competition reaches its knock-out phase but, if either Scotland or England reach the semi-finals, it is probable both TV companies will provide coverage. There will be no duplication of live games until the final stages and each broadcaster has the first option to screen highlights of matches they have not covered live.

EUROPEAN CHAMPIONSHIP television schedule: 15.00: 9 June: Germany v Czech Republic, Denmark v Portugal, 20 June: Romania v France, 23 June: Italy v Russia, 25 June: Switzerland v Netherlands, 24 June: Portugal v Turkey, 26 June: England v Scotland, 28 June: Croatia v Denmark, 29 June: France v Bulgaria, Romania v Spain, 30 June: Russia v Czech Republic, 1 July: France v Czech Republic, 2 July: Netherlands v Switzerland, 29 June: Croatia v Portugal, Turkey v Denmark.

Magic makes his comeback

Magic Johnson, the basketball legend who stunned America and largely retired from professional sport after announcing that he had tested HIV-positive, is due to play for the Los Angeles Lakers, his old team, tonight for the first time in four and a half years.

Johnson signed a contract yesterday to play for the rest of the season for a reported \$2.5m (£1.6m) and sold his five per cent share in the club, as required by National Basketball Association rules.

Johnson, 36, led the Lakers to five NBA championships in the 1980s. He retired in November 1991 after announcing that he had tested HIV-positive, although he went on to lead the United States Olympic "Dream Team" in 1992.

The 6ft 9in Johnson, three times named the NBA's Most Valuable Player, returned to the sport because he wanted his three-year-old son, Earvin III, to see him play, he said.

His comeback, against Golden State Warriors, promises to

be a media sensation. Johnson was mobbed by reporters when he arrived at practice yesterday with a broad smile on his face.

"Yes, I am back, and I'll see you guys later," he said. "Hey, I'm back. It's that time. I have to go to work." Last summer, Johnson said he would "never" return.

The signing of the contract was delayed as he apparently struggled with whether to put a successful business career on hold and risk discrediting his own legend. Johnson opened the Magic Johnson Movie Theatre last year, a hi-tech 12-screen complex at a shopping centre in South-Central Los Angeles, a tough neighbourhood devastated in the 1992 riots. Its phenomenal success - since its opening it has ranked in the top five of 22,000 cine-

mas nationwide in sales - has held up Johnson locally as a new star of black entrepreneurship.

Johnson weighs in at 250lb, 25lb more than when he last played for the Lakers, and has been playing mostly in exhibition games. Although it was unclear what position he would play, his team-mates said he brings a winner's attitude and would boost the attendances for a team that has suffered a mixed record since he left.

"He adds so much," Sedale Threatt, the Lakers guard, said. "He can play five positions. I think teams will have to concentrate on him, and with the nucleus we already have it will make us the best team in the West."

After the game today, Johnson could face another NBA legend, Michael Jordan, when the Lakers play the Chicago Bulls on Friday. Another member of the Lakers, Cedric Ceballos, said Johnson wanted to play today to "warm himself up for Michael Jordan."

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No. 2596, Tuesday 30 January By Astrid Yesterday's Solution

ACROSS

7 Perhaps Ned, at this, would have nothing to do? (5,3)
9 Account covers a US agency's growth (6)
10 Opera depicts love in development of acts (5)
11 Deny it, it's wrong to be in unanimity (8)
12 One doesn't believe him to be an apostle (8,6)
15 Playing a harp I will be one excluded from society (6)
16 Not subject to poor mum in Spain (6)
18 Engine could get one into Leeds with use of current (6-8)
20 To intimidate brother women use whip (8)

DOWN

22 Some quite normal singer (5)
24 Binder's awfully weak in make-up (6)
25 Sounding off I press horn hard seeing canine (3-5)

1 Cajole into daft bit of TV? (4-4)
2 One US girl could be a goddess (4)
3 Moving slowly to extremity? (6)
4 In France the first person to carry publicity for stone (4)
5 Equivalent to an army surrounding termite's hill? (10)
6 Interruption for a man getting about one Tuesday (6)

8 Time to lay the law down heartlessly and go for extermination (9)
13 One could be pointedly confined by this (6,4)
14 House of Horror to east responsible for deformity (6-3)
17 Disturbed at regime? Do this! (8)
18 Brave beloved one loses heart (6)
19 One or other article in Ireland must be cut (6)
21 Familiar young Prince in a bit of turbulence? (4)
23 Name applied to one scintillating source of light? (4)

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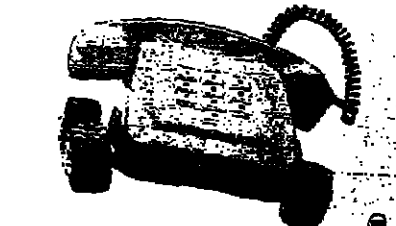
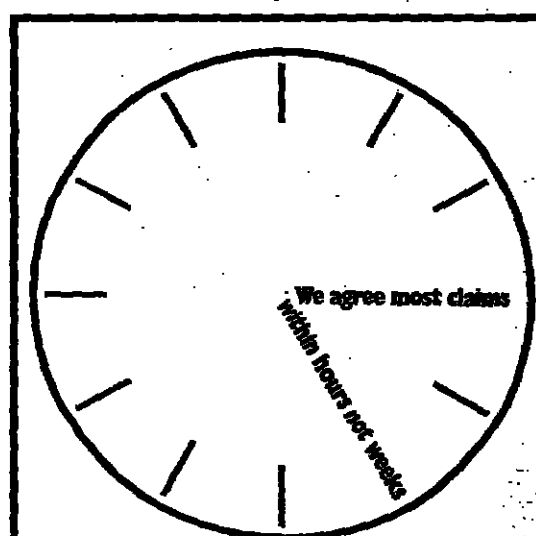
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